

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

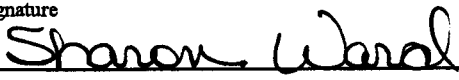
002 APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 66312
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Citation Oil & Gas Corp.		7. If Unit or CA Agreement, Name and No. Walker Hollow Unit
3a. Address P O Box 690688 Houston, Texas 77269-0688		8. Lease Name and Well No. Walker Hollow Unit #85
3b. Phone No. (include area code) 281-517-7800		9. API Well No.
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface NW SE 1980' FSL & 1996' FEL Latitude: 40 14' 11.44" Longitude: 109 17' 31.33" At proposed prod. zone NW SE 1980' FSL & 1996' FEL		10. Field and Pool, or Exploratory Walker Hollow Green River
11. Sec., T., R., M., or Blk. And Survey or Area Sec. 2, T7S, R23E		12. County or Parish Utah County
13. State Utah		14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* +/- 27.5 miles East of Vernal Utah
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) 5440' +/-	16. No. of Acres in lease 3277.2	17. Spacing Unit dedicated to this well 40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1200 +/-	19. Proposed Depth 5535' +/-	20. BLM/ BIA Bond No. on file MT 0630
21. Elevations (Show whether DF, RT, GR, etc.) 5376'	22. Approximate date work will start* 2004	23. Estimated Duration 8 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- |   |   |
|---|---|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above).        |
| 2. A Drilling Plan.   | 5. Operator certification.  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/ or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/ Typed) Sharon Ward	Date 24-Mar-03
Title		
Regulatory Administrator		
Approved By (Signature)	Name (Printed/ Typed)	Date
Title		
Office		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\* (Instructions on reverse)

## INSTRUCTIONS

**GENERAL:** This form is designed for submitting proposals to perform certain well operations, as indicated, on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

**ITEM 1:** If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

**ITEM 4:** Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

**ITEM 14:** Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

**ITEMS 15 AND 18:** If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

**ITEM 22:** Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

## NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

**PRINCIPAL PURPOSES:** The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

**ROUTINE USE:** (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

**EFFECT OF NOT PROVIDING INFORMATION:** Filing of this application and disclosure of the information is mandatory only if the operator elects to initiate drilling operation on an oil and gas lease.

## BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0136), Washington, D.C. 20503.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that: This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease.

**WALKER HOLLOW UNIT NO. 85**  
**APD INFORMATION**  
**NW SE, Sec. 2, T-7-S, R-23-E**  
**Uintah County, Utah**

1. The geologic name of the surface formation: Quaternary Alluvium.
2. The estimated tops of important geological markers:

Green River (G.R.)	3050'
G.R. Du 5	4770'
G.R. Du 6	4995'
G.R. Du 7	5090'
G.R. Du 8	5300'
G.R. Du 8c	5405'
G.R. Du 8d	5465'
G.R. DL1A	5515'
G.R. K	5550'
<b>Total Depth</b>	<b>± 5535'</b>

3. The estimated depths at which anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered:

Fresh Water	Surface - 4770'.
Oil and Gas	4770' - TD.

4. Proposed casing program:

<u>String</u>	<u>Depth Interval</u>	<u>Size</u>	<u>Weight/Grade</u>	<u>Condition</u>
Surface	0 - +/-400'	8 5/8"	24#/ft, J-55	New
Production	0 - +/-5535'	5 1/2"	15.5#/ft, J-55	New

5. Minimum specifications for pressure control equipment:

- a. Blowout preventers – Refer to Exhibit "A" for description of BOP stack and choke manifold.
- b. Wellhead Equipment – Slip-on weld type with a 5000 psi rated working pressure. See Exhibit "B"
- c. BOP Control Unit – Unit will be hydraulically operated and have at least 3 control stations.
- d. Testing – When installed on the 8 5/8" surface casing, the BOP stack will be tested to a low pressure (200-300 psi) and a high pressure to 2100 psi. Casing rams will be tested in like manner when installed prior to running production casing. An operational test of the blowout preventers will be performed on each round trip (but not more than once each day); the annular and pipe ram preventers will be closed on drill pipe, and the blind rams will be closed while pipe is out of the hole.

6. Type and anticipated characteristics of drilling fluid:

<u>Depth Interval</u>	<u>Mud Type</u>
0' - Surface Casing Seat	Fresh Water Spud Mud-Air drill if possible
Surface Casing Seat - 2950'	GYP/Water. No Fluid loss control. 8.4 - 8.7 ppg.
2950'-TD	GEL/CHEM. Fluid loss 8-12CC's. 8.7 - 9.5 ppg

7. Auxiliary Control Equipment:

- a. Kelly Cocks: Upper and lower installed on kelly.
- b. Safety Valve: Full opening ball type to fit each type and size of drill pipe in use will be available on rig floor at all times, in open position for stabbing into drill pipe when kelly is not in the string.
- c. If available, a trip tank will be used during the drilling of the production hole to insure the hole is full.

8. Testing, Logging, and Completion Programs:

- a. Logging: Caliper – SFL – DIL – GR from base of surface casing (BSC) – TD.  
CNL – LDT – GR from BSC – TD.  
Microlog from BSC – TD.  
RFT – Approximately 20 pressure samples and 1 reservoir fluid sample
- b. Maximum bottom hole formation pressure is anticipated at 2,200 psi based off formation pressure data acquired within the area through running Repeat Formation Testing Logs.

Completion – Formation: Green River – Zones: Du 8c, Du 8d, and DL1A.

Anticipated Completion Procedure: Selectively perforate from log analysis, acidize perforations with a 7 1/2% - 15% HCl acid, evaluate inflow performance, then sand fracture as deemed necessary for optimal commercial production.

- c. Production method: Rod pump through 2 7/8" tubing.
9. Hydrogen sulfide (H<sub>2</sub>S) should not be encountered, and no H<sub>2</sub>S hazards are anticipated. The well may be subject to offset waterflood pressure maintenance and therefore may require higher mud weights to control higher formation pressures from injection.
10. Starting date of drilling operations will depend on rig availability. It is anticipated that drilling and completion operations will occur between June through October in 2004.

## EXHIBIT "A"

### TYPICAL 3,000 PSI MINIMUM REQUIREMENTS BLOWOUT PREVENTER AND CHOKE MANIFOLD SCHEMATIC

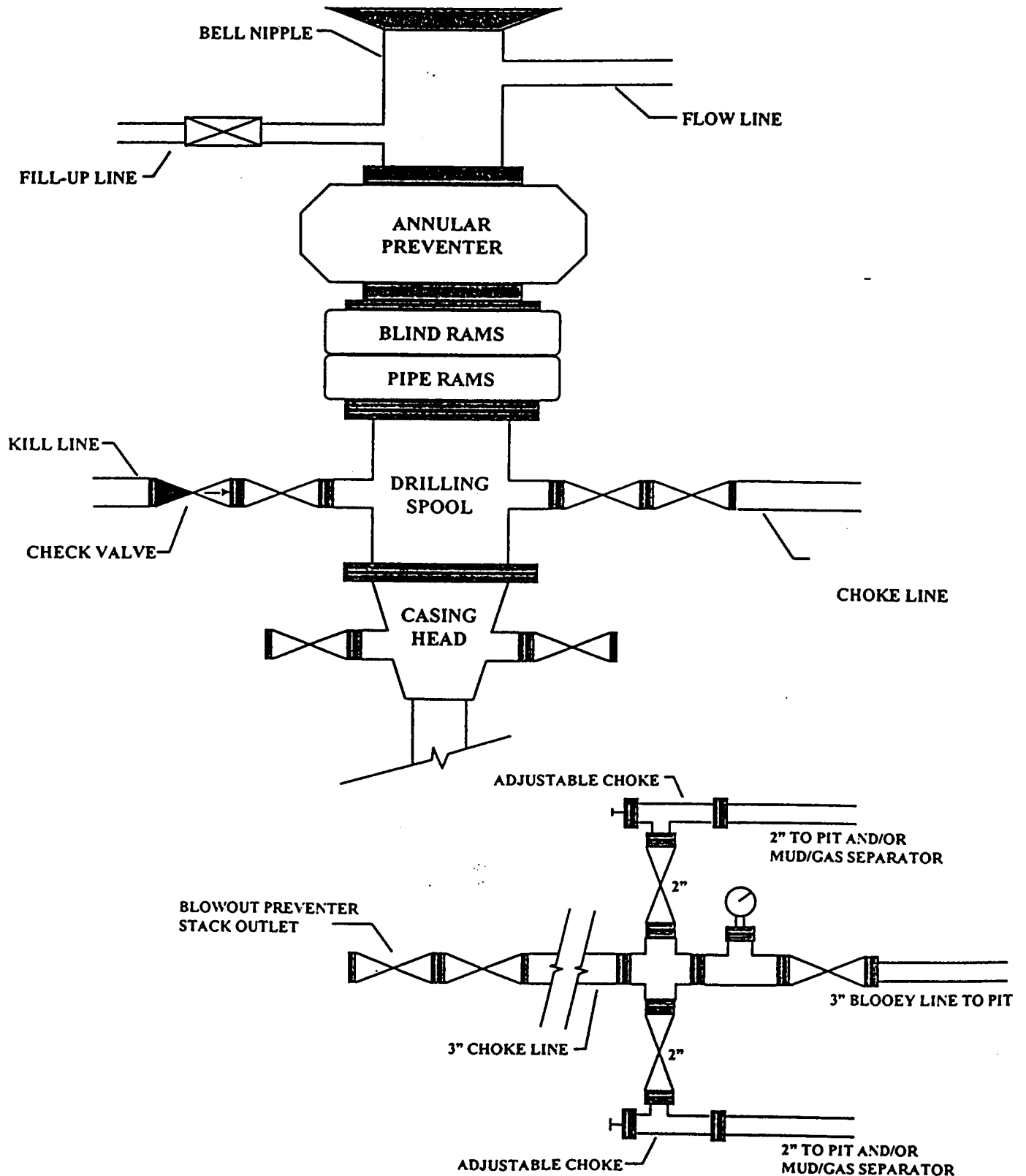


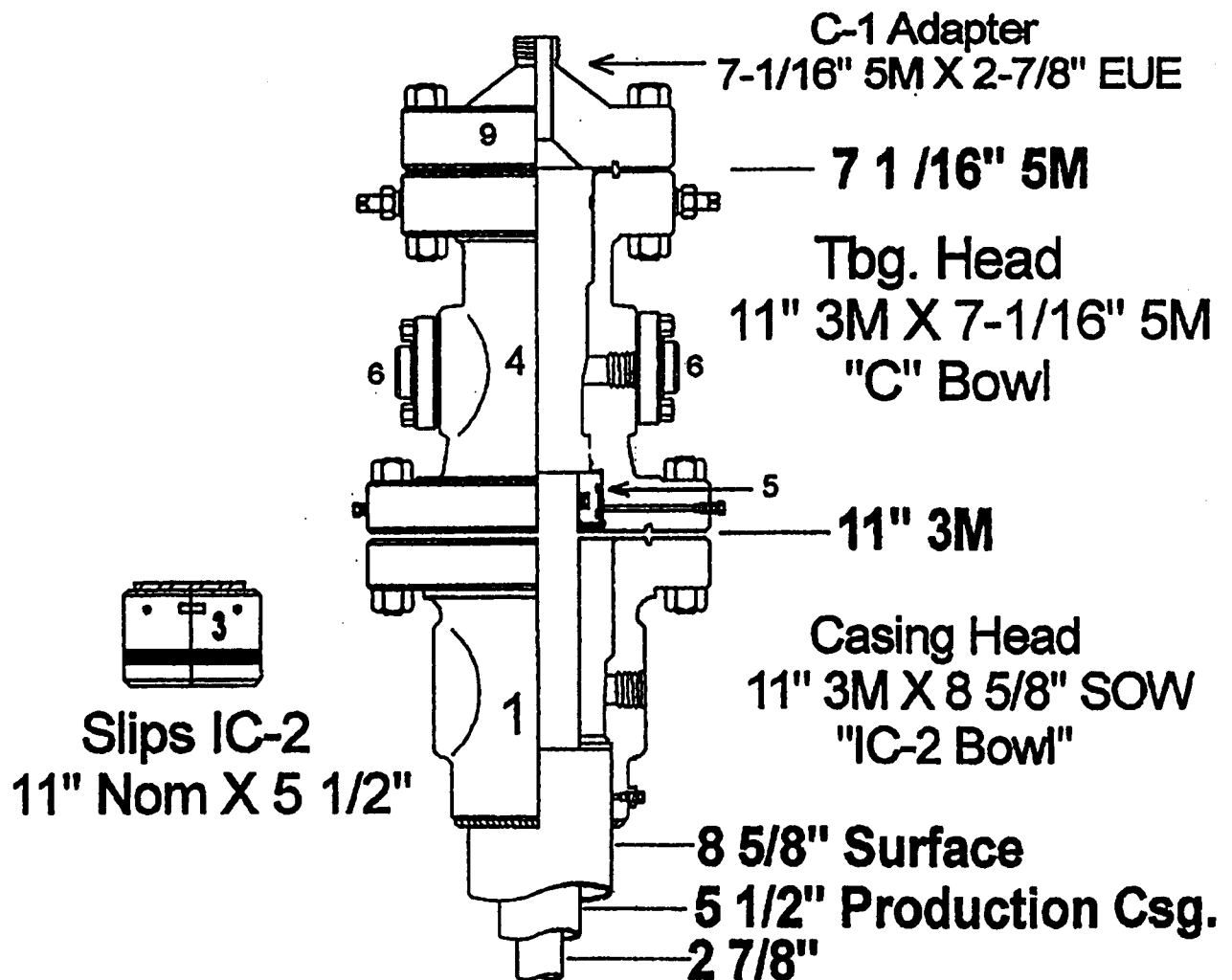
EXHIBIT "B"

**Citation Oil & Gas Corp.**

**Walker Hollow Field**

**2003 Drilling Program**

**8 5/8" X 5 1/2" X 2 7/8"**



## **I. GENERAL INFORMATION**

WELL NAME: WALKER HOLLOW UNIT #85

AREA: WALKER HOLLOW UNIT

SURFACE LOCATION: 1908' FSL & 1996' FEL  
NW SE, SEC. 2, T-7-S, R-23-E  
UINTAH CO., UT

BOTTOM HOLE LOCATION: 1908' FSL & 1996' FEL  
NW SE, SEC. 2, T-7-S, R-23-E  
UINTAH CO., UT

OPERATOR: CITATION OIL & GAS CORPORATION

ENGINEER: JOHN LONG  
OFFICE: (307) 682-4853  
CELL: (307) 689-3406  
HOME: (307) 682-5482

CLASSIFICATION: DEVELOPMENTAL VERTICAL

ELEVATION (GR): 5,376' - ungraded, 5352' - graded

ESTIMATED DEPTH: 5,535' MD

ESTIMATED DRILLING TIME: 8 DAYS

OBJECTIVE: PRIMARY: GREEN RIVER (OIL)

### **WELL OBJECTIVE**

The Walker Hollow Unit #85 is planned as a vertical test well drilled to the Green River Formation at an estimated total depth of 5,535'. It is classified as a development well.

A 12 1/4" surface hole will be drilled to  $\pm 400'$ , then 8 5/8", 24# surface casing will be set and cemented to surface in accordance with State of Utah/BLM requirements. The production casing will be 5 1/2", 15.5#, J-55 to be set at  $\pm 5,535'$ . Lost circulation problems may be encountered from the top of the Green River formation at  $\pm 3,050'$  to TD.

The surface hole to  $\pm 400'$  is intended to be air-drilled using fresh water as needed. The production hole from  $\pm 400'$  to  $\pm 2950'$  will be drilled with fresh water using viscous sweeps to clean the hole. From  $\pm 2950'$  to  $\pm 5,535'$  (TD), the hole will be drilled with a gel-polymer fluid of 8.7 - 9.5 ppg to control fluid loss and provide adequate cleaning.

## II. OPERATIONAL DRILLING PROGRAM

Construct the location and reserve pit per pad layout plat in the APD. Set 14" conductor pipe at  $\pm 15'$  with a 6' diameter culvert to accommodate the drilling of the surface hole.

### A. 12 1/4" Hole: 8 5/8" Casing (surface to +/-400')

**Drill solids: 1 - 2%**

**Solids control: Reserve/blooiie pit**

**Fluid system: Air drill/fresh water.**

- Notify the BLM and other proper authorities 24 hours prior to spud.
- Air drill a 12 1/4" hole to +/-400'. Foam up if necessary.
- At TD, pump a high viscosity pill & circulate the hole clean. TOH.
- Run 8 5/8", 24 #/ft J-55 ST&C casing to TD and cement according to the attached program. (See D. below)
- Notify proper authorities (at least 24 hours prior to testing) about testing the BOPE.
- WOC a minimum of 4 hrs. Cut off 8 5/8" casing and install casing head. Cut casing off so that the top of the 8 5/8" casing head is at or slightly below ground level.
- Install BOPE, manifold, and control lines. Pressure test the casing head, blind rams, pipe rams, manifold, and 8 5/8" casing to 2100 psi. Pressure test annular preventer to 1500 psi.
- WOC a minimum of 12 hours prior to drilling the float equipment.

\*Note: Lost circulation is problematic in this area, especially if mud-up of the system is required for any reason. Keep a good supply of fibrous lost circulation materials on location for any mud losses.

### B. 7 7/8" Hole: 400' - $\pm 2,950'$ .

**Mud weight: 8.3 - 8.7 ppg**

**Drill solids: 1 - 2%**

**Solids control: Reserve pit**

**Fluid system: Fresh water W/appropriate viscosity and flocculent additives.**

- Drill out of the 8 5/8" casing with fresh water.
- Use viscous sweeps whenever necessary to ensure adequate hole cleaning while drilling with water.
- Keep the drilled solids to a minimum by using a selective flocculent.
- Use sweep treatments of drilling detergent to provide lubricity and minimize bit balling.
- Lost circulation is problematic in this area, especially if mud-up of the system is required for any reason. Keep a good supply of fibrous lost circulation materials on location for any mud losses.



**C. 7 7/8" Hole:  $\pm 2,950'$  -  $\pm 5,535'$ .**

**Mud weight: 8.7 - 9.5 ppg**

**Drill solids: 4 - 6%**

**Solids control: Adjustable linear shaker, Centrifuge, Mud Cleaner.**

**Fluid system: Mud up with a polymer-gel system.**

- Mud up with a polymer-gel system. Use caustic soda to achieve a 9.0 - 9.5 pH.
- Additional fluid loss control will be required in this interval. Use fluid loss additives as necessary to maintain the API fluid loss at 8 - 10 cc's/30 min or less.
- Sloughing may become problematic in this interval. If this occurs, reduce the API fluid loss further.
- Run all available solids control equipment to maintain the mud weight and keep solids as low as possible.
- Lost circulation will be problematic when mudded up. Pre-treating with 15 - 25% fibrous LCM is recommended prior to drilling below 2950'.
- The anticipated mud weight of this well is 8.7 - 9.5 ppg, but allow the hole to dictate the mud weight required. Penetrated intervals may be affected by the local waterflood and a higher mud weight may be required.
- For lost circulation, use pill treatments of 25 - 35% fibrous LCM. To fight lost circulation, pull up four stands and while moving pipe, spot a 15 - 20 ppb pill of varied size LCM. Allow the pill to sit and heal the zone prior to drilling ahead.

**\*NOTE: At  $\pm 4150'$ , notify COGC geology to come to location to choose TD based from mud log sample analysis. The "K" sequence of the Green River formation must not be penetrated!**

**D. Proposed Casing Design and Cement:**

- Surface Casing: Surface -  $\pm 400'$ , 8 5/8", 24 #/ft, J-55, ST&C.  
Cement: 20 BBLs pre-flush containing 4 sx Gel followed by 225 sx Class "A" cmt containing 2% CaCl<sub>2</sub> + .25 #/sk Flocele mixed at 15.6 ppg.
1. **Make sure all connections & csg jts are clean, drifted, & compatible prior to RIH.**
  2. **Float shoe & insert float collar connections need to be thread locked prior to RIH.**
  3. **Run centrizers: 1 on float shoe jt, 1 on jt above FC, 1 @  $\pm 200'$ , then 1 on second to last jt from surface while RIH.**
  4. **Install cmt head. RU cement service. Test lines to 500 psi.**
  5. **Pump 1 BBL lse wtr spacer. Mix & pump cmt according to service company's recommendations.**
  6. **Pump plug. Displace cmt to FC W/lse wtr. Bump plug & hold final pressure for 5 minutes. RD cmt service.**

- Production Casing: Surface – +/-5,535', 5 1/2", 15.5 #/ft, J-55, LT&C.  
Cement: **CSG WILL BE ROTATED BUT NOT RECIPROCATED DURING JOB!** Lead system: 165 sx of lightweight grade (11.0 ppg – 3.91 cubic ft/sk) cmt with recommended additives. Tail system: 200 sx of 50:50 Pozmix class "G" + 10% salt + 2% Bentonite Gel + 0.2% Anti-foamer. Cement volumes may vary based upon hole caliper logs.

1. Make sure all connections & csg jts are clean, drifted, & compatible prior to RIH.
2. Run two jts of csg between float shoe & FC.
3. All connections from float collar (FC) down need to be thread locked & tack welded prior to RIH.
4. Run alternating, left-hand/right-hand positive standoff Turbolizer type centrizers: 2 on float shoe jt & 2 on jt below FC utilizing stop collars to evenly space the centrizers on each jt, then 1 per jt in unproductive intervals or 2 per jt in productive intervals for the next 20 jts, then 1 every 5th jt to +/-30 jts from surface. RIH.
5. Install cmt head & swivel. RU cement service. Test lines to 5000 psi. Circ 1 1/2 times csg - hole annular volume to break back mud system.
6. Pump 5 BBLs lse wtr spacer. Mix & pump cmt according to service company's recommendations. Rotate pipe throughout cementing. Do not reciprocate pipe.
7. Drop plug. Displace cmt to FC W/lse wtr. Bump plug & hold final pressure for 5 minutes. RD cmt service.

#### E. Anticipated Bit Program:

1. 12 1/4" IADC Bit #111 – Surface hole to +/-400'.
2. 7 7/8" IADC Bit #517Y, 400 - 3,200'.
3. 7 7/8" IADC Bit #527Y, 3,200 - 4,800'.
4. 7 7/8" IADC Bit #527Y, 4,800 - 5,535'.

## **SURFACE USE PLAN: WHU #85**

### **Citation Oil & Gas Corporation-Walker Hollow Unit**

Well WHU #85: 1908' FSL & 1996' FEL, NW SE, Sec. 2, T-7-S, R-23-E, Uintah County, Utah

1. EXISTING ROADS – See enclosed survey package.
  - A. See enclosed survey package for the proposed well site as staked.
  - B. From Vernal, go south-easterly on Highway 45 approximately 21 miles, then easterly approximately 2.6 miles to Red Wash, then approximately 2.2 miles north-easterly to the Walker Hollow field, then on oil field roads approximately 5 miles to the proposed location.
  - C. See enclosed survey package for the new access road to be built:  
Approximately 1600' of new road will be needed to access Well #85
  - D. See enclosed survey package for the existing roads within a one-mile radius.
  - E. No improvements of existing roads will be required as the roads are being maintained in the oil field.
2. PLANNED ACCESS ROADS – See the enclosed survey package for the new access road.
  - A. The road will be a minimum of 16' wide.
  - B. The maximum grade will be 12 percent or less.
  - C. No turnouts are anticipated.
  - D. Drainage structure will be installed where necessary.
  - E. No culverts will be required.
  - F. The road will be graveled where necessary.
  - G. There will be no gates, cattle-guards, or fence cuts.
  - H. The proposed access road has been staked.
3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS – See enclosed survey package for well numbers and locations.
  - A. Water wells – none.
  - B. Abandoned wells – WHU #79.
  - C. Temporarily Abandoned Wells – none.
  - D. Disposal Wells – WHU #26.
  - E. Drilling Wells – WHU #'s: 83, 84, 86, & 87.
  - F. Producing Wells – WHU #'s: 15, 23, 24, 25, 42, 46, 47, 54, 55, 56, 63, 66, 69, 72, 75, 76, 80, & 81.
  - G. Shut-in Wells – WHU #'s: 30, 35, 37, 44, 57, & 58.
  - H. Injection Wells – WHU # 17.
  - I. Monitoring or Observation Wells for Other Resources – none.
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES –
  - A. Existing facilities are greater than a two-thirds (2/3) mile radius from the proposed location.
    1. Satellite Tank Battery – SE SW, Sec. 1, T-7-S, R-23-E.  
Tank Battery #2 – SW SE, Sec. 12, T-7-S, R-23-E.
    2. Production facilities are located at the tank battery sites.
    3. Oil and Gas gathering lines, injection lines, and disposal lines where needed are laid along the existing or proposed roads to existing lines or tank battery sites.

4. The oil and gas gathering and fuel supply lines will be laid as shown in the enclosed survey package. These routes may serve for future use for injection or disposal lines.

Flowline: The flowline route will extend from the wellhead due west to an existing lease road. It will parallel the lease road in a northeasterly direction where it will then tie into the existing flowline system servicing WHU #47. The total anticipated pipeline length is estimated at +/-1,500' as shown in the enclosed survey package. The line will be a surface line constructed from 2", schedule 40 steel line pipe and laid in conjunction with 2 - 1 1/4", schedule 40, steel heat tracing lines. All three lines will be wrapped with insulation that will subsequently be wrapped in colored tin in accordance with BLM guidelines.

Fuel Line: The fuel line route will mirror the flowline route and will also be approximately +/-1500' in length. The line will be a surface line constructed from 2", SDR 7, polyethylene pipe.

- B. Citation Oil & Gas Corporation will make adjustments to enlarge existing tank batteries servicing the proposed location to accommodate the additional production if necessary.
- C. Rehabilitation will be done on any disturbed areas no longer needed for operations after completion of the production facilities. This will consist of reshaping the existing surface and seeding as specified.

#### 5. LOCATION AND TYPE OF WATER SUPPLY -

- A. Water will be hauled over existing roads or piped alongside existing and proposed roads from the water flood plant or water flood distribution system. The water flood plant is located about 2.5 miles southeast of the proposed location.

1. Fresh water will be hauled in through contract trucking (DALBO, Inc. - water permit number 53617, telephone number 435-789-0743)

- B. No new roads will be needed for the water supply.

#### 6. SOURCE OF CONSTRUCTION MATERIALS - Contractor will furnish gravel and haul from a source outside the area.

#### 7. WASTE DISPOSAL -

- A. Drill cuttings will be disposed of in the reserve pit.
- B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. (In the event of a dry hole, pumpable liquid on the surface of the pit will be injected into the well to shorten the pit drying time.)
- C. Water produced during tests will be disposed of in the reserve pit. Oil produced during tests will be stored in test tanks until sold, at which time it will be hauled from site.
- D. Sewage from trailer houses will be collected in a sewage tank. The tank will be cleaned and the contents disposed of at an approved location as determined by the sewage service provider. Portable toilet facilities will also be provided for the rig crews. Waste removal and disposal will be handled by a professional sewage service and disposal provider.
- E. Trash, waste paper, and garbage will be contained in trash baskets covered with small mesh wire to prevent wind scattering. Trash will be hauled from location and disposed of in approved landfill facilities.

- F. When the rig moves out, all trash and debris left on location will be removed and disposed of appropriately.
8. ANCILLARY FACILITIES – No camps, airstrips, etcetera, will be constructed.
9. WELLSITE LAYOUT –
- A. See enclosed survey package for the proposed well-site layout.
  - B. Included in the proposed well-site layout are: the proposed location of mud tanks, reserve pit, trash baskets, pipe racks, other major rig components, living facilities, stockpile, and turn-in from access road.
  - C. Mud pits in the active circulating system will be steel pits, and the reserve pit is proposed to be lined.
10. RESTORATION OF SURFACE –
- A. Upon completion of the operation and removal of any trash or debris as discussed earlier, pits will be backfilled and leveled or contoured as soon as practical after drying time. The drill-site surface will be re-shaped to combat erosion and stockpiled topsoil will be distributed to the extent available. Prior to leaving the drill-site upon rig move-out, any pit that is to remain open for drying will be fenced and so maintained until backfilled and reshaped.
  - B. Citation Oil & Gas Corp. will rehabilitate the road as per BLM requirements.
  - C. Re-vegetation of the drill pad will comply with the State of Utah Division of Oil, Gas, & Mining and/or BLM specifications.
  - D. Any oil on pits will be removed and taken to the well battery for recovery.
  - E. Rehabilitation operations will start the Spring after completion and finished by the following Fall to the State of Utah Division of Oil, Gas, & Mining and/or BLM specifications.
11. OTHER INFORMATION –
- A. The proposed well pad is located on clay soil. Other than sparse cedar trees, there is little vegetation.
  - B. There is no surface use other than grazing and hunting.
  - C. There are no major dwellings, archaeological, historical, or cultural sites apparent in the area.
  - D. There are no ponds, streams, or water wells in the area.
  - E. There are no buildings of any kind in the area.
12. OPERATOR'S REPRESENTATIVE – Citation Oil & Gas Corporation's contact personnel regarding compliance with the Surface Use Plan are:

Citation Oil & Gas Corporation  
Attn: John Long – Petroleum Engineer  
1016 E. Lincoln  
Gillette, WY 82716

OR

Office Phone: 307-682-4853  
Cell Phone: 307-689-3406  
Home Phone: 307-682-5482

Citation Oil & Gas Corporation  
Attn: Robert Eye – Field Foreman  
P.O. Box 1026  
Vernal, UT 84078

Office Phone: 435-790-4406  
Cell Phone: 435-790-4406  
Home Phone: 435-781-414

13. CERTIFICATION – I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site(s) and access route(s); that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Citation Oil & Gas Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. A copy of this plan will be posted at the wellsite during the drilling of the well for reference by all contractors and subcontractors.

Date: 3-23-04

Signed: John R. Long  
John Long – Petroleum Engineer  
Citation Oil & Gas Corporation



## Geological Prognosis

**(REVISED-March 18, 2004)**

**Field:** Walker Hollow Unit

**Classification:** Development-Oil

**Operator:** Citation Oil & Gas

**Total Depth:** 5535'

**Well Name:** Walker Hollow Unit #85

**Elevation:** GL 5352'  
KB 5365'

**Objective(s):** Green River

**Geologist:** Terry McCance  
281-517-7384 (W)  
936-321-1967 (H)  
281-851-4053 (C)

**Backup:** Jerry Greer  
281-517-7394(W)  
281-353-3704 (H)

**Location:** Uintah County, Utah

Surface: 1908' FSL & 1996' FEL of Section 2, T-7-S, R-23-E.

**Estimated Geological Tops:**

<u>Correlation Tops:</u>	<u>This Well</u>	<u>Type Well</u>
	WHU #85 MD/SS	WHU #69 MD/SS
Green River	3050'(+2315)	3058'(+2283)
G.R. Du 5	4770'(+595)	4770'(+571)
G.R. Du 6	4995'(+370)	5000'(+341)
G.R. Du 7	5090'(+275)	5090'(+251)
G.R. Du 8	5300'(+65)	5303'(+38)
G.R. Du 8c	5405'(-40')	5412'(-71)
G.R. Du 8d	5465'(-105)	5481'(-140)
G.R. DL1a	5515'(-150)	5512'(-171)
G.R. K	5550'(-185)	5548'(-207)
Total Depth	5535'	

**Note:** TD for the WHU #85 is picked 20' into the DL 1a. High porosity K sandstone is expected at the top of the K sequence, which may prevent a good cement job if communicated due to high water potential in the K sandstone. TD will be picked on location.

**Objective Zone:**

Du 8c 5405'(-40)  
Du 8d 5465'(-105)  
DL 1a 5515'(-150)

**Expected Production:** 50 BOPD 40 MCFGPD 50 BWPD

**Expected Formation Pressure (objective zones):** Anticipate 0.433psi/ft gradient, some zones may be higher pressure due to injection.

**Wellsite Geologist Depth:** BSC to TD (Two Man Unit).

**DST's:** None.

**Logging Program:**

1. Cali - SFL-DIL - GR from BSC - TD.
2. CNL-LDT - GR from BSC - TD.
3. Microlog - BSC - TD.
4. RFT - Approx. 20 Pressure Samples + 1 Fluid Recovery

**Approval:**

Steve K. Ann

**Date:**

3/19/04

006

DALBO INC. / A-1 TANK RENTAL  
P. O. BOX 1168  
VERNAL, UT 84078  
(435) 789-0743  
FAX (435) 789-9208

TO: John - CitationFROM: BuggsDATE: 10/29/02TOTAL PAGES SENT: 4

PLEASE NOTIFY US IF YOU DO NOT RECEIVE ALL THE ABOVE  
PAGES. OUR FAX NUMBER IS (435) 789-9208.

17. If application is for domestic purposes, number of persons \_\_\_\_\_, or families \_\_\_\_\_
18. If application is for municipal purposes, name of municipality \_\_\_\_\_
19. If application is for other uses, include general description of proposed uses Making Brine Drilling  
fluid for drilling oil and gas wells \_\_\_\_\_
20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. SW $\frac{1}{4}$ SE $\frac{1}{4}$  Sec. 32, T4S, R3E, USB&M
21. The use of water as set forth in this application will consume 015 second-feet and/or acre-feet of water and None second feet and/ or acre feet will be returned to the natural stream or source at a point described as follows: \_\_\_\_\_



## EXPLAN STORY

1

Signature of Applicant

Meredith Baldwin  
Notary Public

RECEIVED

## FEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH AUG 22 1979

Flow rate — c.f.s.	Cost	
0.0 to 0.1 .....	\$ 15.00	
over 0.1 to 0.5 .....	30.00	
over 0.5 to 1.0 .....	45.00	
over 1.0 to 15.0 .....	45.00	plus \$7.50 for each cfs above the first cubic
over 15.0 .....	150.00	foot per second.
Storage — acre-feet		
0 to 20 .....	22.50	
over 20 to 500 .....	45.00	
over 500 to 7500 .....	45.00	plus \$7.50 for each 500 a.f. above the first
over 7500 .....	150.00	500 acre feet.

(This section is not to be filled in by applicant)

## STATE ENGINEER'S ENDORSEMENTS

- 11:55 a.m.
- 17 August 1979 Application received ~~by mail~~ over counter in State Engineer's office by 7/1/3
  - Priority of Application brought down to, on account of .....
  - 8/23/79 Application fee, \$15.00, received by ALO Rec. No. 04730
  - 9/12/79 Application microfilmed by ..... Roll No. 874-4
  - 9/12/79 Indexed by dpk Platted by 12-34-28  
(D-4-3) 32 s.l.s.
  - 17 August 1979 Application examined by 7/1/3
  - Application returned, ..... or corrected by office .....
  - Corrected Application resubmitted ~~by mail~~ over counter to State Engineer's office.
  - 17 August 1979 Application approved for advertisement by .....
  - OCT 11 1979 Notice to water users prepared by 201310
  - OCT 14 1979 Publication began; was completed NOV 1 1979  
Notice published in UTAH JOURNAL
  - 10/19/79 Proof slips checked by LOE & DG
  - Application protested by .....
  - 11/5/79 Publisher paid by M.E.V. No. 631210
  - Hearing held by .....
  - Field examination by .....
  - 12/14/79 Application designated for approval RFH S.G.  
rejection
  - 2/1/80 Application copied or photostated by s.l.f. proofread by .....
  - 2/1/80 Application approved  
rejected
  - Conditions:
    - This Application is approved, subject to prior rights, as follows:
    - Actual construction work shall be diligently prosecuted to completion.
    - Proof of Appropriation shall be submitted to the State Engineer's office by 6/30/82.
    -
  - Time for making Proof of Appropriation extended to .....
  - Proof of Appropriation submitted.
  - Certificate of Appropriation, No. ...., issued

Carl M. Staker  
FOR Dee C. Hansen, State Engineer

Application No. 53617

007



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Land Office  
Post Office Box No. 777  
Salt Lake City 10, Utah

IN REPLY REFER	
RECEIVED	W
MAR 26 1959	E
LEASE RECORDS	F
F. B. JORDAN, JR.	E

March 19, 1959

Certified Mail

## DECISION

The Carter Oil Company

Serial Number  
Salt Lake 066312

Subject Oil and Gas Lease Segregated as to  
School Lands Affected by Public Law 340, as Amended  
Jurisdiction of State Portion of Lease Transferred to State of Utah

Title to a portion of the land in this lease vested in the State of Utah under the Dawson Act, Public Law 340 (68 Stat. 57) as amended. The State has succeeded to the position of lessor as to the State land.

The lessee and the State of Utah are hereby notified that this lease is herewith segregated into two separate leases. The State now has the exclusive right of administration, as lessor, over the lease to the extent it covers land vested in the State. The United States retains exclusive jurisdiction over the lease as to the Federal lands. The Appendix includes a description of the land in each lease as segregated.

The lessee is hereby notified that all future payments or correspondence concerning the segregated State lease shall be made to the Utah State Land Board, 105 State Capitol Building, Salt Lake City. All future payments or correspondence concerning the segregated Federal lease shall continue to be made to the Bureau of Land Management, P. O. Box 777, Salt Lake City 10, Utah.

The State of Utah is notified by an enclosed accounting advice of the allocation of rents or royalties accrued since title vested in the State. Payments already made are not listed. Payment will be made to the State in due course for the balance due.

The right of appeal to the Director, Bureau of Land Management, is allowed in accordance with information in enclosed Form 4-1366 made a part hereof. An appeal filed in accordance with the regulations in attached form 4-1364 will be properly filed.

Ernest E. House  
Manager

Enclosure  
Copy to: Utah State Land Board

*E. House*  
Acting

(2)  
APPENDIX

1. Original Federal Lease

Serial Number: Salt Lake 066312  
Date Issued: November 1, 1948  
Extended by production

2. Segregated State portion

Title to Land vested under Act of June 6, 1955  
Date transferred to State: November 1, 1956  
Description of lands:

T. 7 S., R. 23 E., S. 1. Mer., Utah  
Sec. 2: Lots 1 thru 8, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$  (all)

883.36 acres

Uintah County

3. Segregated Federal portion

Description of lands:

T. 7 S., R. 23 E., S. 1. Mer., Utah  
Sec. 1: Lots 9, 10, 11, 12, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$   
Sec. 3: Lots 1 thru 12, S $\frac{1}{2}$ N $\frac{1}{2}$ , SE $\frac{1}{4}$   
Sec. 4: Lots 1, 2, 7, 8, 9, 10, S $\frac{1}{2}$ NE $\frac{1}{4}$

1644.97 acres

Uintah County

# The United States of America,

To all to whom these presents shall come, Greeting:

WHEREAS, There are now deposited in the Bureau of Land Management of the United States an application by the State of Utah and a decision of the Land Office at Salt Lake City, Utah, directing that a patent issue to the State of Utah under the provisions of the Act of Congress approved June 21, 1934 (48 Stat. 1185), entitled "An Act Authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the Act approved February 22, 1889, by the Act approved January 25, 1927 (44 Stat. 1026), and by any other Act of Congress," for the following numbered school section lands in place, granted for the support of common schools and the title to which vested in the State of Utah under the Act of July 11, 1956 (70 Stat. 529), upon the date of the act:

Salt Lake Meridian, Utah.

T. 7 S., R. 23 E.,

Sec. 2, All.

The area described contains 883.36 acres, according to the Official Plat of the Survey of the said Land, on file in the Bureau of Land Management:

NOW, THEREFORE, KNOW YE, That the UNITED STATES OF AMERICA, in consideration of the premises, and in conformity with the said Act of Congress of June 21, 1934 and as evidence of the title which was granted to and vested in the State of Utah to the above described land on July 11, 1956, for the support of common schools, as aforesaid, and in confirmation of such title for such purpose, HAS GIVEN AND GRANTED, and by these presents DOES GIVE AND GRANT, unto the said State of Utah, and to its assigns, the lands above described; TO HAVE AND TO HOLD the same, together with all the rights, privileges, immunities, and appurtenances, of whatsoever nature, thereto belonging, unto the said State of Utah, and to its assigns forever.

In accordance with subsection (d) of section 1 of the Act of January 25, 1927 (44 Stat. 1026), as amended by the Act of July 11, 1956 (70 Stat. 529; 43 U.S.C. 870 (d) (2)), the State of Utah succeeded to the position of the United States as lessor of oil and gas lease Salt Lake City 066312 at the time the title to the lands described herein vested in the State.

IN TESTIMONY WHEREOF, the undersigned authorized officer of the Bureau of Land Management, in accordance with the provisions of the Act of June 17, 1948 (62 Stat. 476), has, in the name of the United States, caused these letters to be made Patent, and the Seal of the Bureau to be hereunto affixed.

GIVEN under my hand, in the District of Columbia, the ~~THIRTEENTH~~ day of ~~MAY~~ in the year of our Lord one thousand nine hundred and ~~SIXTY~~ and of the Independence of the United States the one hundred and ~~THIRTY-FOURTH~~.

(SEAL)

For the Director, Bureau of Land Management.

By

*Ruth W. Talley*

Chief, Patents Section.

Patent Number 1208696

Form 4-812  
(August 1947)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Office Salt Lake City  
Serial 066312  
NONCOMPETITIVE

Patton  
Meloy  
Frothingham

LEASE OF OIL AND GAS LANDS UNDER THE ACT OF  
FEBRUARY 25, 1920, AS AMENDED

THIS INDENTURE OF LEASE, entered into, in triplicate, as of the 11th day of Nov. 1948, by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, party of the first part, and Fenneken S. Smith, 1442 Leadville Avenue, Salt Lake City, Utah,

party of the second part, hereinafter called the lessee, under, pursuant, and subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 437), as amended, hereinafter referred to as the act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force when not inconsistent with any express and specific provisions herein, which are made a part hereof, WITNESSETH:

SECTION 1. Rights of Lessee.—That the lessor, in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits except helium gas in or under the following-described tracts of land situated in the

- T. 7 S., R. 23 E., S.L.M., Utah;
- sec. 1, lots 9, 10, 11, 12, S $\frac{1}{2}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ ;
- sec. 2, all;
- sec. 3, lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, S $\frac{1}{2}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ ;
- sec. 4, lots 1, 2, 7, 8, 9, 10, S $\frac{1}{2}$ NE $\frac{1}{4}$ .

ENTRY 95003409  
BOOK 597 PAGE 663 667 449.00  
12-JUN-95 02157  
RANDY SIMMONS  
RECORDER, UTAH COUNTY, UTAH  
CITATION OIL AND GAS CORP.  
8223 WILLOW PLACE SOUTH #250 HOUSTON TX  
RED BY: SYLENE ACCUTTOROP, DEPUTY

containing 2,528.33 acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of 5 years, and so long thereafter as oil or gas is produced in paying quantities, subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistencies with the terms of this lease occur.

SEC. 2. In consideration of the foregoing, the lessee hereby agrees:

(a) Bonds.—(1) To maintain any bond furnished by the lessee as a condition for the issuance of this lease. (2) If the lease is issued noncompetitively, to furnish a bond in a sum double the amount of the \$1 per acre annual rental, but not less than \$1,000 nor more than \$5,000, upon the inclusion of any part of the leased land within the geologic structure of a producing oil or gas field. (3) To furnish prior to beginning of drilling operations, and maintain at all times thereafter as required by the lessor a bond in the amount of \$5,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease. If a bond in that amount is already being maintained or unless the lessee is an approved operator of the lease is accepted hereby certify that this is a copy of the official record on file in this office.

16-60708-2  
Randy Simmons Nov 10, 1948

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
NONCOMPETITIVE

Office Salt Lake City

Serial 066312 - State

LEASE OF OIL AND GAS LANDS UNDER THE ACT OF  
FEBRUARY 25, 1920, AS AMENDED

WALK - 30807

THIS INDENTURE OF LEASE, entered into, in triplicate, as of the day of **NOV 1** 1948 by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, party of the first part, and Fenneken S. Smith, 1442 Leadville Avenue, Salt Lake City, Utah;

party of the second part, hereinafter called the lessee, under, pursuant, and subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 437), as amended, hereinafter referred to as the act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force when not inconsistent with any express and specific provisions herein, which are made a part hereof, WITNESSETH:

SECTION 1. Rights of Lessee.—That the lessor, in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits except helium gas in or under the following-described tracts of land situated in the

T. 7 S., R. 23 E., S.L.M., Utah;  
sec. 1, lots 9, 10, 11, 12, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ ;  
sec. 2, all;  
sec. 3, lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, S $\frac{1}{2}$ N $\frac{1}{2}$ , SE $\frac{1}{4}$ ;  
sec. 4, lots 1, 2, 7, 8, 9, 10, S $\frac{1}{2}$ NE $\frac{1}{4}$ .

x  
x  
x  
x  
x  
x  
x  
x  
x  
x

containing 2,528.33 acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of 5 years, and so long thereafter as oil or gas is produced in paying quantities; subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistencies with the terms of this lease occur.

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(a) Bonds.—(1) To maintain any bond furnished by the lessee as a condition for the issuance of this lease. (2) If the lease is issued noncompetitively, to furnish a bond in a sum double the amount of the \$1 per acre annual rental, but not less than \$1,000 nor more than \$5,000, upon the inclusion of any part of the leased land within the geologic structure of a producing oil or gas field. (3) To furnish prior to beginning of drilling operations and maintain at all times thereafter as required by the lessor a bond in the penal sum of \$5,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease, unless a bond in that amount is already being maintained or unless such a bond furnished by an approved operator of the lease is accepted.

Until a general lease bond is filed a noncompetitive lessee will be required to furnish and maintain a bond in the penal sum of not less than \$1,000 in those cases in which a bond is required by law for the protection of the owners of surface rights. In all other cases where a bond is not otherwise required, a \$1,000 bond must be filed for compliance with the lease obligations not less than 90 days before the due date of the next unpaid annual rental, but this requirement may be successively dispensed with by payment of each successive annual rental not less than 90 days prior to its due date.

(b) Cooperative or unit plan.—Within 30 days of demand, or if the land is within an approved unit plan, in the event such a plan is terminated prior to the expiration of this lease, within 30 days of demand made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) Wells.—(1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of the lessor or lands of the United States leased at a lower royalty rate, or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate the lessor in full each month for the estimated loss of royalty through drainage in the amount determined under instructions of said Secretary; (2) at the election of the lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior; and (3) promptly after due notice in writing to drill and produce such other wells as the Secretary of the Interior may require to insure diligence in the development and operation of the property.

(d) Rentals and royalties.—(1) To pay the rentals and royalties set out in the rental and royalty schedule attached hereto and made a part hereof.

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas; due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by the lessee, to posted prices and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by the lessee as reasonably may be required by the lessor, but in no case shall the lessee be required to hold such royalty oil or other products in storage beyond the last day of the calendar month next following the calendar month in which produced. The lessee shall not be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Royalties shall be subject to reduction on the entire leasehold or on any portion thereof segregated for royalty purposes if the Secretary of the Interior finds that the lease cannot be successfully operated upon the royalties fixed herein, or that such action will encourage the greatest ultimate recovery of oil or gas or promote conservation.

(e) Contracts for disposal of products.—Not to sell or otherwise dispose of oil, gas, natural gasoline, and other products of the lease except in accordance with a contract or other arrangement first approved by the Director of the Geological Survey or his representative, such approval to be subject to review by the Secretary of the Interior but to be effective unless and until revoked by the Secretary or the approving officer, and to file with such officer all contracts or full information as to other arrangements for such sales.



(f) Statements, plats, and reports.—At such times and in such form as the lessor may prescribe, to furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amounts used for production purposes or unavoidably lost; a plat showing development work and improvements on the leased lands and a report with respect to stockholders, investment, depreciation, and costs.

(g) Well records.—To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by the lessor of all wells drilled on the leased lands, and an acceptable record of all subsurface investigations affecting said lands, and to furnish them, or copies thereof to the lessor when required.

(h) Inspection.—To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps, and records relative to operations and surveys or investigations on the leased lands or under the lease.

(i) Payments.—Unless otherwise directed by the Secretary of the Interior, to make rental, royalty, or other payments to the lessor, to the order of the Treasurer of the United States, such payments to be tendered to the manager of the district land office in the district in which the lands are located or to the Director of the Bureau of Land Management if there is no district land office in the State in which the lands are located.

(j) Diligence—Prevention of waste—Health and safety of workmen.—To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations in accordance with approved methods and practice as provided in the operating regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells before abandoning the same; to carry out at expense of the lessee all reasonable orders of the lessor relative to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost: Provided, that the lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) Taxes and wages—Freedom of purchase.—To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil, and gas produced from the lands hereunder, or other rights, property, or assets of the lessee; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) Nondiscrimination.—Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all subcontracts.

(m) Assignment of oil and gas lease or interest therein.—To file within 30 days from the date of final execution any instrument of transfer made of this lease, or any interest therein, including assignments of record title, working or royalty interests, operating agreements and subleases for approval, such instrument to take effect upon its final approval by the Director, Bureau of Land Management, as of the first day of the lease month following the date of filing in the proper land office.

(n) Pipe lines to purchase or convey at reasonable rates and without discrimination.—If owner, or operator, or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipe line.

16-54706-1

operating a lease or purchasing or selling oil, gas, natural gasoline, or other products under the provisions of the act.

(o) Reserved deposits.—To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(p) Reserved or segregated lands.—If any of the land included in this lease is embraced in a reservation or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be made by the Director, Bureau of Land Management, for the protection and use of the land for the purpose for which it was reserved or segregated, so far as may be consistent with the use of the land for the purpose of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(q) Overriding royalties.—To limit the obligation to pay overriding royalties or payments out of production in excess of 5 percent to periods during which the average production per well per day is more than 15 barrels on an entire leasehold or any part of the area thereof or any zone segregated for the computation of royalties.

(r) Deliver premises in cases of forfeiture.—To deliver up the premises leased, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease; but this shall not be construed to prevent the removal, alteration, or renewal of equipment and improvements in the ordinary course of operations.

SEC. 3. The lessor expressly reserves:

(a) Rights reserved—Easements and rights-of-way.—The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Disposition of surface.—The right to lease, sell, or otherwise dispose of the surface of any of the lands embraced within this lease which are owned by the United States under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the oil and gas therein.

(c) Monopoly and fair prices.—Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) Helium.—Pursuant to section 1 of the act, and section 1 of the act of March 3, 1927 (44 Stat. 1387), as amended, the ownership and the right to extract helium from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. In case the lessor elects to take the helium the lessee shall deliver all gas containing same, or portion thereof desired, to the lessor at any point on the leased premises in the manner required by the lessor, for the extraction of the helium in such plant or reduction works for that purpose as the lessor may provide, whereupon the residue shall be returned to the lessee with no substantial delay in the delivery of gas produced from the well to the purchaser thereof. The lessee shall not suffer a diminution of value of the gas from which the helium has been extracted, or loss otherwise, for which he is not reasonably compensated, save for the value of the helium extracted. The lessor further reserves the right to erect, maintain, and operate any and all reduction works and other equipment necessary for the extraction of helium on the premises leased.

(e) Taking of royalties.—All rights pursuant to section 36 of the act, to take royalties in amount or in value of production.

16--50705-4

(f) Casing.—All rights pursuant to section 40 of the act to purchase casing and lease or operate valuable water wells.

(g) Fissionable materials.—Pursuant to the provisions of the act of August 1, 1946 (Public Law 585, 79th Congress) all uranium, thorium, or other material which has been or may hereafter be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine and remove the same, making just compensation for any damage or injury occasioned thereby.

SEC. 4. Drilling and producing restrictions.—It is covenanted and agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal laws, State laws, and regulations issued thereunder, or lawful agreements among operators regulating either drilling or production, or both. After unitization, the Secretary of the Interior, or any person, committee, or State or Federal officer or agency so authorized in the unit plan, may alter or modify from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

SEC. 5. Surrender and termination of lease.—The lessee may surrender this lease or any legal subdivision thereof by filing in the proper land office a written relinquishment, in triplicate, which shall be effective as of the date of filing subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the regulations and the terms of the lease, to be accompanied by a statement that all wages and moneys due and payable to the workmen employed on the land relinquished have been paid.

SEC. 6. Purchase of materials, etc., on termination of lease.—Upon the expiration of this lease, or the earlier termination thereof pursuant to the last preceding section, the lessor or another lessee may, if the lessor shall so elect within 3 months from the termination of the lease, purchase all materials, tools, machinery, appliances, structures, and equipment placed in or upon the land by the lessee, and in use thereon as a necessary or useful part of an operating or producing plant, on the payment to the lessee of such sum as may be fixed as a reasonable price therefor by a board of three appraisers, one of whom shall be chosen by the lessor, one by the lessee, and the other by the two so chosen; pending such election all equipment shall remain in normal position. If the lessor, or another lessee, shall not within 3 months elect to purchase all or any part of such materials, tools, machinery, appliances, structures, and equipment, the lessee shall have the right at any time, within a period of 90 days thereafter to remove from the premises all the material, tools, machinery, appliances, structures, and equipment which the lessor shall not have elected to purchase, save and except casing in wells and other equipment or apparatus necessary for the preservation of the well or wells. Any materials, tools, machinery, appliances, structures, and equipment, including casing in or out of wells on the leased lands, shall become the property of the lessor, on expiration of the period of 90 days above referred to or such extension thereof as may be granted on account of adverse climatic conditions throughout said period.

SEC. 7. Proceedings in case of default.—If the lessee shall not comply with any of the provisions of the act or the regulations thereunder or make default in the performance or observance of any of the terms, covenants, and stipulations hereof and such default shall continue for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Secretary of the Interior in accordance with section 31 of the act, as amended, and all materials, tools, machinery, appliances, structures, equipment, and wells shall thereupon become the property of the lessor, except that if said lease covers lands known to contain valuable deposits of oil or gas, the lease may be canceled only by judicial proceedings in the manner provided in section 31 of the act; but this provision shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular

16-50708-1

cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture, or for the same cause occurring at any other time.

SEC. 8. Heirs and successors in interest.—It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SEC. 9. Unlawful interest.—It is also further agreed that no Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of section 3741 of the Revised Statutes of the United States, and sections 114, 115, and 116 of the Codification of the Penal Laws of the United States approved March 4, 1909 (35 Stat. 1109), relating to contracts, entered into and form a part of this lease so far as the same may be applicable.

IN WITNESS WHEREOF:

THE UNITED STATES OF AMERICA.

By Wm. L. E. Hume  
Director of the Bureau of Land Management.

Wm. L. E. Hume  
1915  
Wm. L. E. Hume  
1915  
Wm. L. E. Hume  
1915  
Witnesses to signature of lessee.

Lessee.

U. S. GOVERNMENT PRINTING OFFICE 16-50705-1

Schedule "A"

RENTALS AND ROYALTIES

Rentals.—To pay the lessor in advance on the first day of the month in which the lease issues a rental at the following rates:

(a) If the lands are wholly outside the known geologic structure of a producing oil or gas field:

- (1) For the first lease year, a rental of 50 cents per acre.
- (2) For the second and third lease years, no rental.
- (3) For the fourth and fifth years, 25 cents per acre.
- (4) For the sixth and each succeeding year, 50 cents per acre.

(b) On leases wholly or partly within the geologic structure of a producing oil or gas field:

- (1) Beginning with the first lease year after 30 days' notice that all or part of the land is included in such a structure and for each year thereafter, prior to a discovery of oil or gas on the lands herein, \$1 per acre.
- (2) On the lands committed to an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, for the lands not within the participating area an annual rental of 50 cents per acre for the first and each succeeding lease year following discovery.

Minimum royalty.—To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

Royalty on production.—To pay the lessor 12½ percent royalty on the production removed or sold from the leased lands.

The average production per well per day for oil and for gas shall be determined pursuant to 30 CFR, Part 221, "Oil and Gas Operating Regulations."

In determining the amount or value of gas and liquid products produced, the amount or value shall be net after an allowance for the cost of manufacture. The allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior.

008

DALBO INC. / A-1 TANK RENTAL  
P. O. BOX 1168  
VERNAL, UT 84078  
(435) 789-0743  
FAX (435) 789-9208

TO: John - CitationFROM: BuggerDATE: 10/29/02TOTAL PAGES SENT: 4

PLEASE NOTIFY US IF YOU DO NOT RECEIVE ALL THE ABOVE  
PAGES. OUR FAX NUMBER IS (435) 789-9208.

17. If application is for domestic purposes, number of persons \_\_\_\_\_, or families \_\_\_\_\_
18. If application is for municipal purposes, name of municipality \_\_\_\_\_
19. If application is for other uses, include general description of proposed uses Making Brine Drilling  
fluid for drilling oil and gas wells \_\_\_\_\_
20. Give place of use by legal subdivision of the United States Land Survey for all uses described in para-  
graphs 14 to 19, incl. SW $\frac{1}{4}$ SE $\frac{1}{4}$  Sec. 32, T4S, R3E, USB&M \_\_\_\_\_
21. The use of water as set forth in this application will consume .015 second-feet and/or acre-  
feet of water and None second feet and/ or acre feet will be returned to the natural  
stream or source at a point described as follows: \_\_\_\_\_

Page No. 2

## EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

*John H. Hill*  
Signature of Applicant

\*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

## DECLARATION OF CITIZENSHIP

STATE OF UTAH, }  
County of ..... } 53

On the 17<sup>th</sup> day of August, 1979, personally appeared before me, a notary public for the State of Illinois, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires



Meredith Baldwin  
Notary Public

RECEIVED

## FEEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH AUG 22 1979

Flow rate — c.f.s.	Cost	
0.0 to 0.1 .....	\$ 13.00	
over 0.1 to 0.5 .....	30.00	
over 0.5 to 1.0 .....	45.00	
over 1.0 to 15.0 .....	45.00	plus \$7.50 for each cfs above the first cubic
over 15.0 .....	150.00	foot per second.

## Storage — acre-feet

0 to 20 .....	22.50	
over 20 to 500 .....	45.00	
over 500 to 7500 .....	45.00	plus \$7.50 for each 500 a.f. above the first
over 7500 .....	150.00	500 acre feet.

(This section is not to be filled in by applicant)

11:55 a.m.

## STATE ENGINEER'S ENDORSEMENTS

1. 17 August 1979 Application received ~~by mail~~ over counter in State Engineer's office by 7/11/3
2. .... Priority of Application brought down to, on account of .....
3. 8/23/79 Application fee, \$15.00, received by WLS Rec. No. 04730
4. 9/24/79 Application microfilmed by ..... Roll No. 874-4
5. 9/12/79 Indexed by dph ..... Platted by 10-34-79  
(D-4-3) 32 s. 15 s.
6. 17 August 1979 Application examined by 7/11/3
7. .... Application returned, ..... or corrected by office .....
8. .... Corrected Application resubmitted by mail over counter to State Engineer's office.
9. 17 August 1979 Application approved for advertisement by .....
10. OCT 11 1979 Notice to water users prepared by WLS
11. OCT 14 1979 Publication began; was completed NOV 1 1979  
Notice published in UTAH STATE JOURNAL
12. 10/19/79 Proof slips checked by WLS
13. .... Application protested by .....
14. 11/5/79 Publisher paid by M.E.V. No. 631210
15. .... Hearing held by .....
16. .... Field examination by .....
17. 12/14/79 Application designated for approval rejection RFH S.G.
18. 2/1/80 Application copied or photostated by slf proofread by .....
19. 2/1/80 Application approved rejected
20. Conditions:  
This Application is approved, subject to prior rights, as follows:  
a. Actual construction work shall be diligently prosecuted to completion.  
b. Proof of Appropriation shall be submitted to the State Engineer's office by 6/30/82  
c. ....
21. .... Time for making Proof of Appropriation extended to .....
22. .... Proof of Appropriation submitted.
23. .... Certificate of Appropriation, No. ...., issued

FOR Dee C. Hansen,

State Engineer

Application No. 53617



CULTURAL RESOURCE INVENTORY OF CITATION OIL AND  
GAS CORPORATION'S 5 WELL LOCATIONS IN  
WALKER HOLLOW OIL FIELD, UINTAH COUNTY, UTAH

Keith R. Montgomery

**CULTURAL RESOURCE INVENTORY OF CITATION OIL AND GAS  
CORPORATION'S 5 WELL LOCATIONS IN WALKER HOLLOW  
OIL FIELD, UINTAH COUNTY, UTAH**

**By:**

**Keith R. Montgomery**

**Prepared For:**

**Bureau of Land Management  
Vernal Field Office  
and  
State Institutional Trust Lands Administration (SITLA)  
Salt Lake City, Utah**

**Prepared Under Contract With:**

**Citation Oil and Gas Corporation  
1016 East Lincoln St.  
Gillette, Wyoming 82716**

**Prepared By:**

**Montgomery Archaeological Consultants  
P.O. Box 147  
Moab, Utah 84532**

**March 25, 2004**

**MOAC Report No. 04-55**

**United States Department of Interior (FLPMA)  
Permit No. 03-UT-60122**

**State of Utah Antiquities Project (Survey)  
Permit No. U-04-MQ-0258b,s**

## INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) for Citation Oil and Gas proposed well locations WHU #83, WHU #84, WHU #85, WHU # 86, and WHU #87 in the Walker Hollow Oil Field. The project area is located in and around Walker Hollow, to the north of Red Wash, east of Vernal, Uintah County, Utah. The survey was implemented at the request of Mr. John Long, Citation Oil and Gas Corporation, Vernal, Utah. The project includes a total of 57.2 acres, 23.6 of which are situated on public land administered by the Bureau of Land Management (BLM), Vernal Field Office, and 33.6 acres which are administered by the State of Utah, School and Institutional Trust Land Administration (SITLA).

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventories were implemented to attain compliance with a number of federal and state mandates, including the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on March 18 and 19, 2004 by Keith Montgomery, under the auspices of U.S.D.I. (FLPMA) Permit No. 03-UT-60122, State of Utah Antiquities Permit (Survey) No. U-04-MQ-0258b,s issued to Montgomery Archaeological Consultants, Moab, Utah.

A file search for previous cultural resource inventories and archaeological sites was conducted by Marty Thomas at Utah Division of State History on March 19, 2004. This consultation indicated that several archaeological inventories have been conducted in the vicinity of the project area; no archaeological sites are documented within the project area. Archeological-Environmental Research Corporation (AERC) conducted an archaeological inventory of proposed oil and gas well locations for Exxon Corporation in the Walker Hollow area in 1978, finding no cultural resources (Hauck 1978). In 1979, Nickens and Associates conducted a 10 percent stratified random sampling of the 128,000-acre Red Wash Cultural Resources Study Tract in Uintah County, Utah (Larralde and Nickens 1980). For this study, 320 40-acre parcels were surveyed, resulting in the documentation of 26 archaeological sites. One historic site, the Kennedy Stage Stop (42Un799), of the Uintah Railway System, was recorded. The remaining 25 sites are prehistoric, and include temporary camps, lithic scatters, a lithic and ceramic scatter, and a quarry (42Un795-820). AERC conducted an inventory of a proposed drill pad, access road, tank battery and borrow area in 1980 for Exxon (Hauck 1980a). The proposed tank battery occurs at the location for the current proposed well WHU #84. No cultural resources were found. Also in 1980, AERC evaluated seven proposed well locations in the Walker Hollow Field, finding

no cultural resources (Hauck 1980b). In 1981, AERC conducted archaeological evaluations of five flowline corridors and well location #54 for Exxon Corporation, finding no cultural resources (Hauck 1981a). That same year, AERC conducted an additional five projects pertaining to oil and gas development in the Walker Hollow area (Hauck 1981b, 1981c, 1981d, 1981e, 1981f). These investigations yielded a finding of no cultural resources, with the exception of an isolated find (obsidian secondary flake) documented during the inventory of the Kienitz Federal No. 3 and 4 well locations. AERC in 1984 surveyed a proposed well location in the Walker Hollow Locality (Milsen Federal No. 1) finding no cultural resources (Hauck 1984). In 1986, AERC inventoried a proposed access route between well locations #79 and #80 for Exxon Corporation, finding no cultural resources (Hauck 1986).

## PROJECT AREA

Citation Oil and Gas Corporation's proposed well locations WHU #83, WHU #84, WHU #85, WHU #86, and WHU #87 with associated access roads are located in the Walker Hollow Oil Field, Uintah County, Utah (Figure 1). Well location WHU #83 is located in T 7S, R 23E, Section 2, 421 ft FSL and 1849 ft FWL. Well location WHU #84 is located in T 7S, R 23E, Section 1, 1985 ft FSL and 673 ft FWL. Well location WHU #85 is located in T 7S R 23E, Section 2, 1908 ft FSL and 1996 ft FEL. Well location WHU #86 is located in T7S, R23E, Section 1, 3541 ft FSL and 2085 ft FWL. Well location WHU #87 is located in T7S, R23E, Section 2, 3087 ft FSL and 750 ft FEL.

The project area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The entire Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. Red Wash occurs within the Central Badlands District of the Uintah Basin, which is an area of broad erosional benches with extensive badland rims along the drainages. The heavily eroded benches and mesas are capped with sand and silt which erode downslope forming areas of sand dunes, sand sheets, and colluvial clays. The elevation of the project area is 5180 to 5380 feet a.s.l.

Specifically, the inventory area is situated in and around Walker Hollow, to the north of Red Wash and Deadman Bench. Geologically, the area includes recent alluvial deposits, older alluvial terrace deposits, and rock outcrops of the Upper Eocene Uinta Formation. The Uinta Formation occurs as eroded outcrops formed by fluvial deposited stream laid interbedded sandstone and mudstone. This formation is known for its fossil vertebrate turtles, crocodilians, fish, and mammals. Vegetation in the project area includes juniper, greasewood, shadscale, rabbitbrush, Mormon tea, snakeweed, and prickly pear cactus. Modern disturbances include livestock grazing, roads, and oil/gas development.

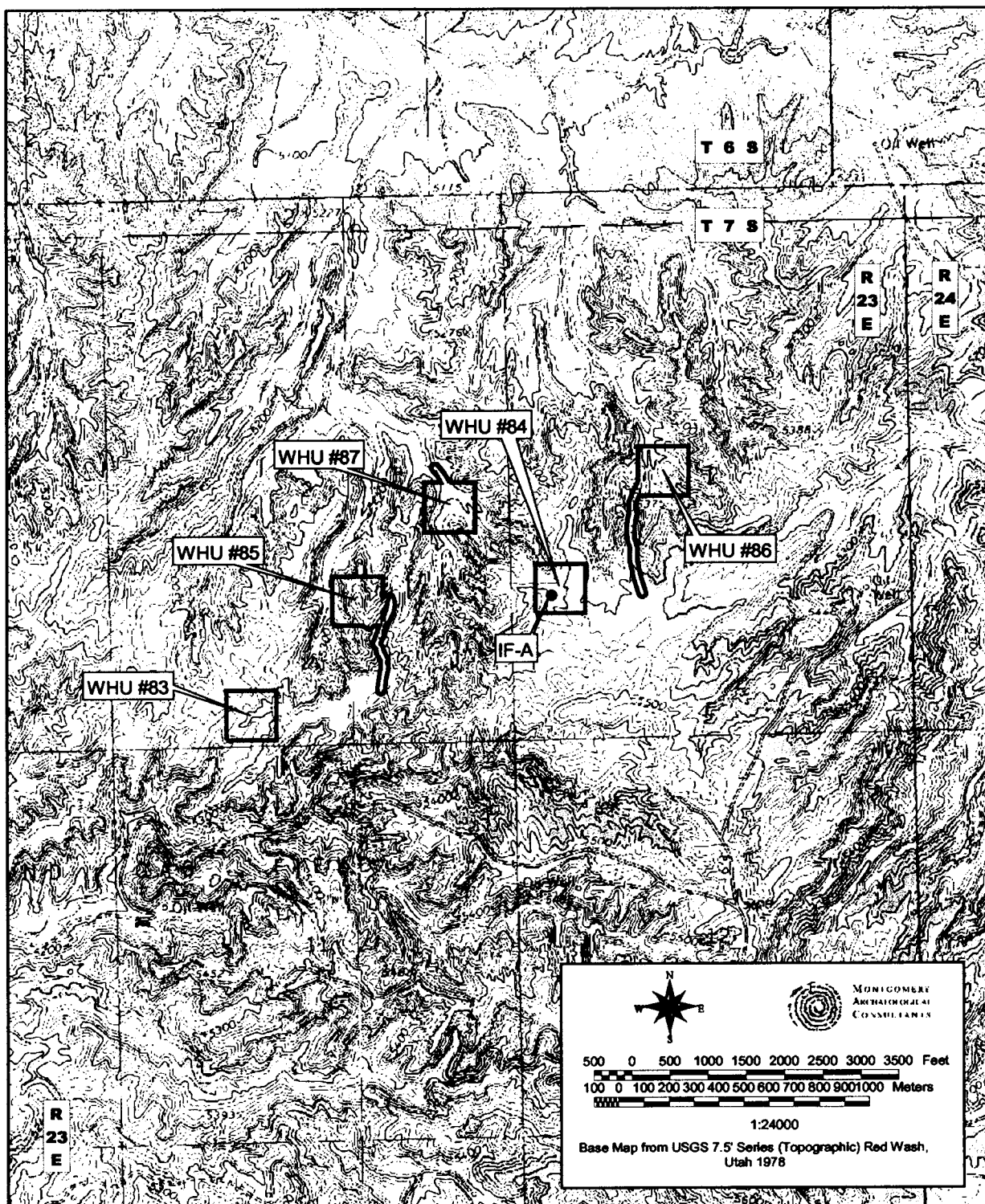


Figure 1. Citation Oil and Gas Corporation's Five Well Locations in Walker Hollow, Uintah County, UT. USGS Red Wash, UT 7.5', 1968.

## SURVEY METHODOLOGY

An intensive pedestrian survey was completed for this project which is considered 100% coverage. The survey was performed by Keith Montgomery, Principal Investigator of MOAC. At the proposed well locations, a 10 acre square was defined, centered on the well pad center stake. The interior of the well location was examined for cultural resources by the archaeologist walking parallel transects. The access road corridors were surveyed to a width of 30 m (100 ft). Ground visibility was considered good. A total of 57.2 acres was inventoried, 23.6 of which are situated on public land administered by the Bureau of Land Management (BLM), Vernal Field Office, and 33.6 acres which are administered by the State of Utah, School and Institutional Trust Land Administration (SITLA).

## RESULTS AND RECOMMENDATIONS

The inventory of Citation Oil and Gas Corporation's proposed five well locations in Walker Hollow resulted in a finding of one isolated find of artifact within the 10-acre parcel at proposed well location #84. Isolated Find A (IF-A) is a white semitranslucent chert secondary flake exhibiting unifacial use on the slightly convex ventral margin. It measures 4.9x3.6x0.7 cm. The UTM coordinates of IF-A are 646128E/4455212N. Isolated finds are not considered to be eligible cultural resources for inclusion to the NRHP. On the basis of this finding, a determination of "no historic properties affected" is recommended for the project pursuant to Section 106, CFR 800.

## REFERENCES CITED

Hauck, F. Richard

- 1978 Exxon Corporation-Proposed Oil and Gas Well Locations in Walker Hollow-Red Wash Locality in Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-78-Af-0329b.
- 1980a Cultural Resource Inventory of Drill Pads, Access Roads, Tank Batteries and Borrow Areas in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-80-Af-0472b.
- 1980b Archeological Evaluations of Proposed Well Locations in the Walker Hollow Oil and Gas Field of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-80-Af-0474b.
- 1981a Archeological Evaluations of Five Flowline Corridors and Well Location No. 54 in the Walker Hollow Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0632b.
- 1981b Archeological Reconnaissance of Drill Locations and Access Roads in the Fort Duchesne and Walker Hollow Localities of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0578b.
- 1981c Archeological Reconnaissance of Drill Locations and Access Roads in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0631b.
- 1981d Cultural Resource Evaluations in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0634b.
- 1981e Cultural Resource Inventory of a Proposed Flowline in the Walker Hollow Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0636b.
- 1981f Archeological Evaluations in the Walker Hollow Oil and Gas Field of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0640b

Hauck, F. Richard

1984 Cultural Resource Evaluation of Proposed Well Location in the Walker Hollow Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-84-Af-0894b

1986 Cultural Resource Evaluations of a Proposed Access Route Between Walker Hollow Units No. 79 and 80 in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-86-Af-0133b,s.

Larralde, Signa L. and Nickens, Paul R.

1980 Sample Inventories of Oil & Gas Fields in Eastern Utah 1978-1979. Utah Bureau of Land Management, Cultural Resource Series No. 5. Bureau of Land Management Utah State Office, Salt Lake City, Utah.

Stokes, W.L.

1986 *Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.



# CITATION OIL & GAS CORP.

WHU #85

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 2, T7S, R23E, S.L.B.&M.

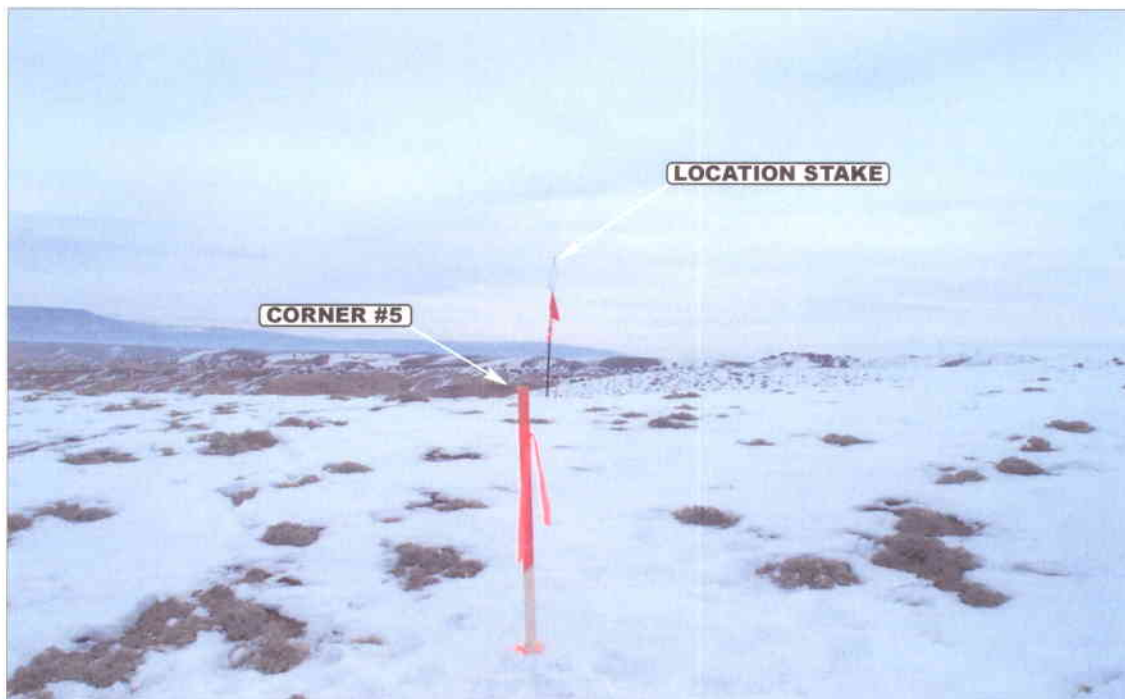


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

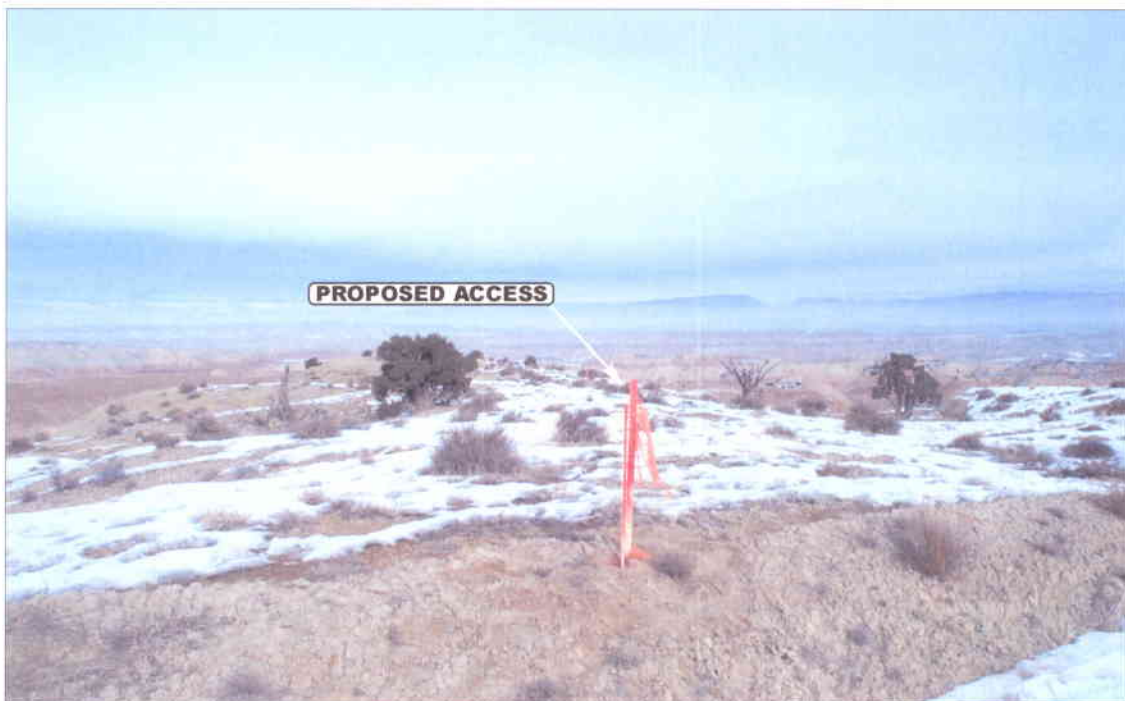


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

02 02 04  
MONTH DAY YEAR

PHOTO

TAKEN BY: B.B.

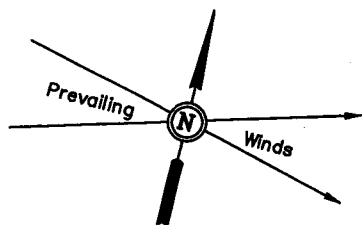
DRAWN BY: T.H.

REVISED: 00-00-00

# UNTAH OIL & GAS CORP. LOCATION LAYOUT FOR

FIGURE #1

WHU #85  
SECTION 2, T7S, R23E, S.L.B.&M.  
1908' FSL 1996' FEL

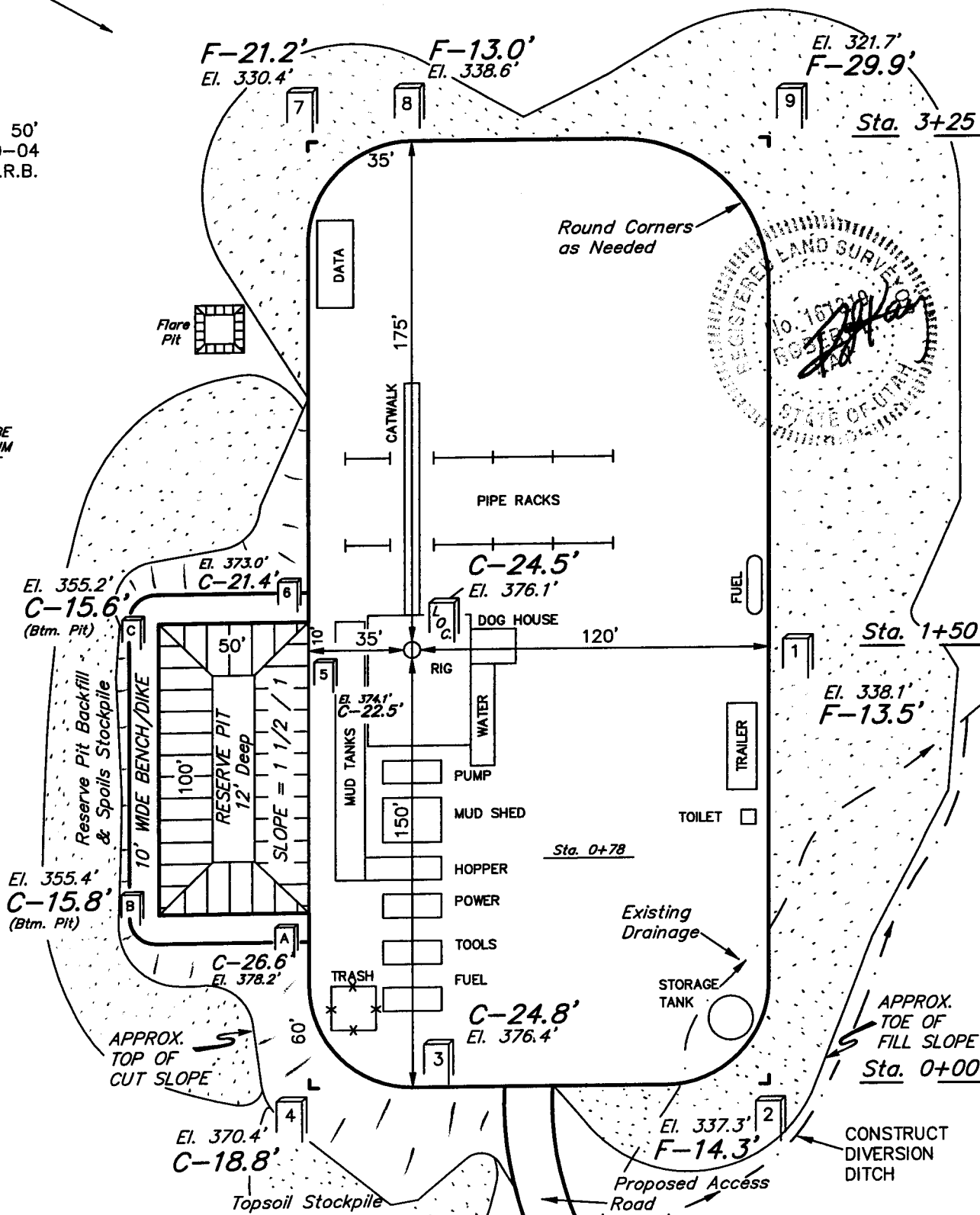


SCALE: 1" = 50'  
DATE: 01-30-04  
Drawn By: D.R.B.

## NOTE:

FLARE PIT IS TO BE LOCATED A MINIMUM OF 125' FROM THE WELL HEAD.

Total Pit Capacity  
W/2' of Freeboard  
= 4,210 Bbls. ±  
Total Pit Volume  
= 1,210 Cu. Yds.



Elev. Ungraded Ground at Location Stake = 5376.1'  
Elev. Graded Ground at Location Stake = 5351.6'

UNTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

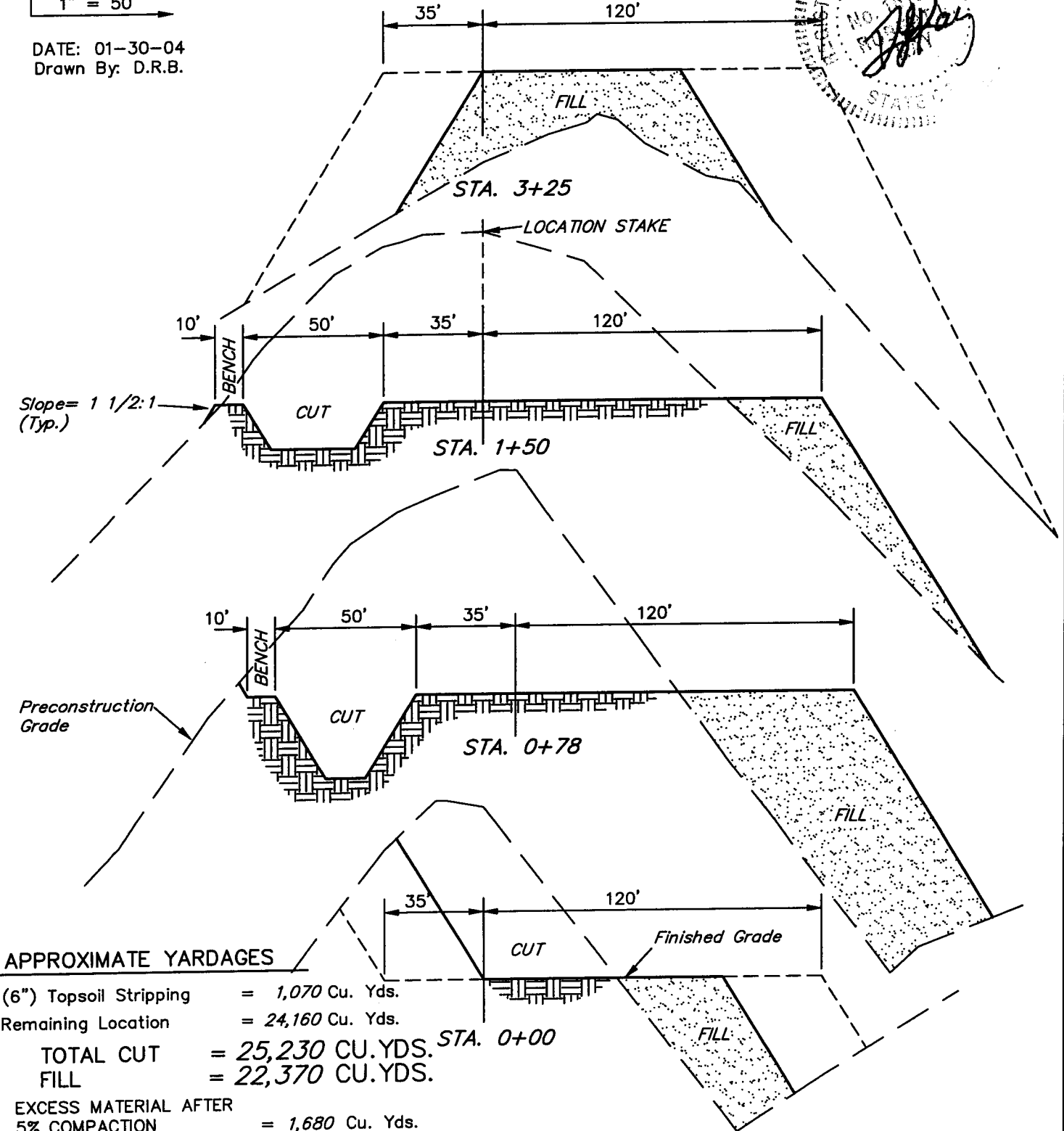
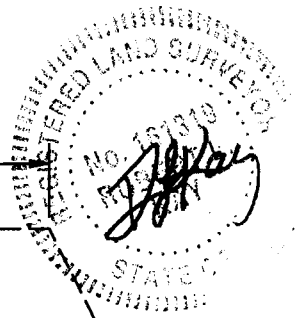
**UNTAIN OIL & GAS CORP.**  
**TYPICAL CROSS SECTIONS FOR**

**FIGURE #2**

1" = 20'  
 X-Section  
 Scale  
 1" = 50'

DATE: 01-30-04  
 Drawn By: D.R.B.

WHU #85  
 SECTION 2, T7S, R23E, S.L.B.&M.  
 1908' FSL 1996' FEL



**APPROXIMATE YARDAGES**

(6") Topsoil Stripping	= 1,070 Cu. Yds.
Remaining Location	= 24,160 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 25,230 CU.YDS.</b>
<b>FILL</b>	<b>= 22,370 CU.YDS.</b>

EXCESS MATERIAL AFTER  
 5% COMPACTION = 1,680 Cu. Yds.

Topsoil & Pit Backfill  
 (1/2 Pit Vol.) = 1,680 Cu. Yds.

EXCESS MATERIAL After = 0 Cu. Yds.  
 Reserve Pit is Backfilled &  
 Topsoil is Re-distributed

**UINTAH ENGINEERING & LAND SURVEYING**  
 85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

### LEGEND:

**PROPOSED LOCATION**

**CITATION OIL & GAS CORP.**

**WHU #85**

**SECTION 2, T7S, R23E, S.L.B.&M.**

**1908' FSL 1996' FEL**

# TOPOGRAPHIC MAP

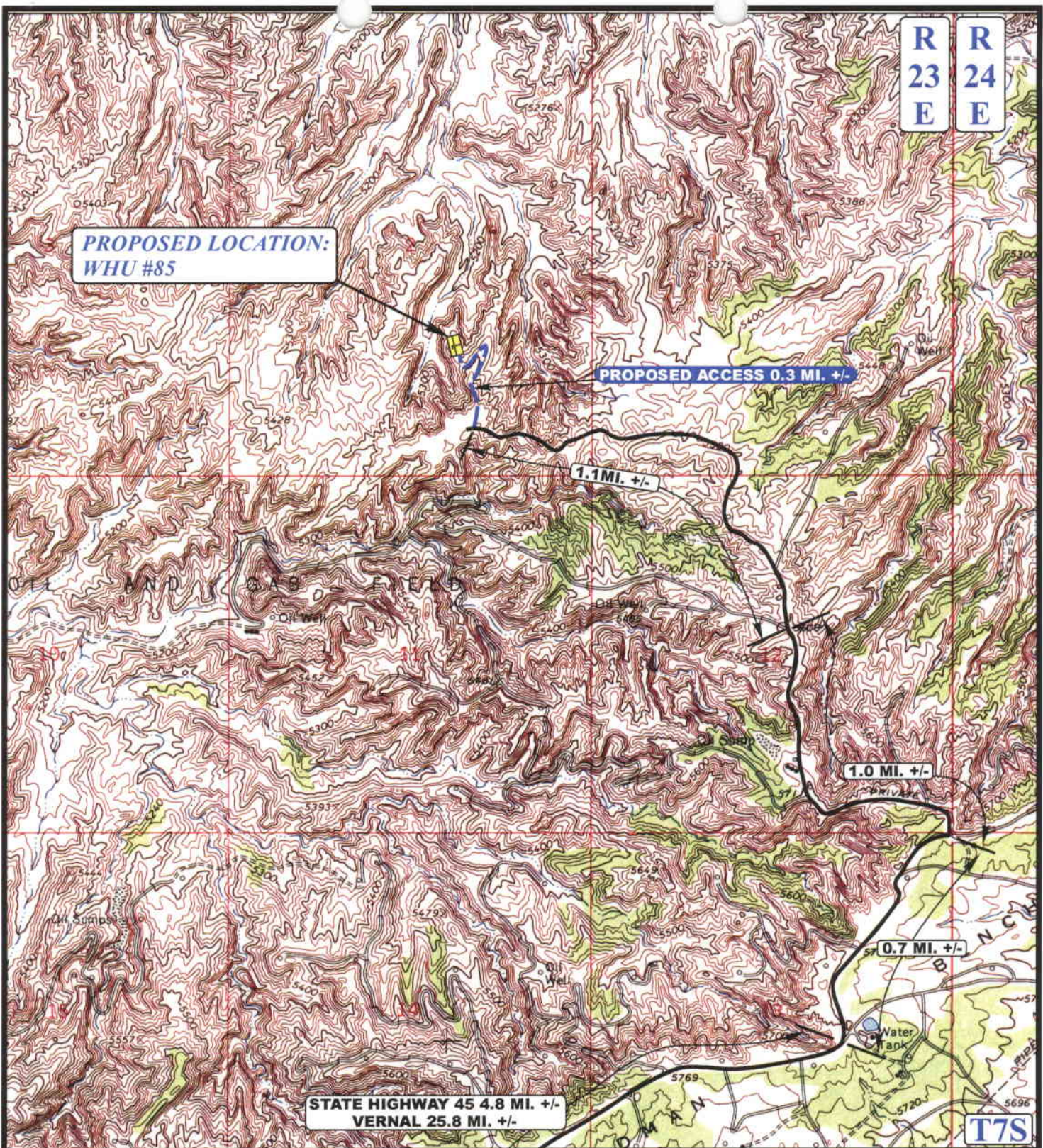
02	02	04
MONTH	DAY	YEAR

SCALE: 1:100,000	DRAWN BY: T.H.	REVISED: 00-00-00
------------------	----------------	-------------------

**A**  
**TOPC**

**Uintah Engineering & Land Surveying**  
**85 South 200 East Vernal, Utah 84078**  
**(435) 789-1017 \* FAX (435) 789-1813**





**LEGEND:**

- EXISTING ROAD  
- - - PROPOSED ACCESS ROAD

**CITATION OIL & GAS CORP.**

**WHU #85**

**SECTION 2, T7S, R23E, S.L.B.&M.  
1908' FSL 1996' FEL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



**TOPOGRAPHIC  
MAP**

**02 02 04**  
MONTH DAY YEAR






SCALE: 1" = 2000' DRAWN BY: T.H. REVISED: 00-00-00





T6S  
T7S

**LEGEND:**

- |   |   |
|---|---|
|  DISPOSAL WELLS  |  WATER WELLS           |
|  PRODUCING WELLS |  ABANDONED WELLS       |
|  SHUT IN WELLS   |  TEMPORARILY ABANDONED |

**CITATION OIL & GAS CORP.**

WHU #85

**SECTION 2, T7S, R23E, S.L.B.&M.**  
**1908' FSL 1996' FEL**

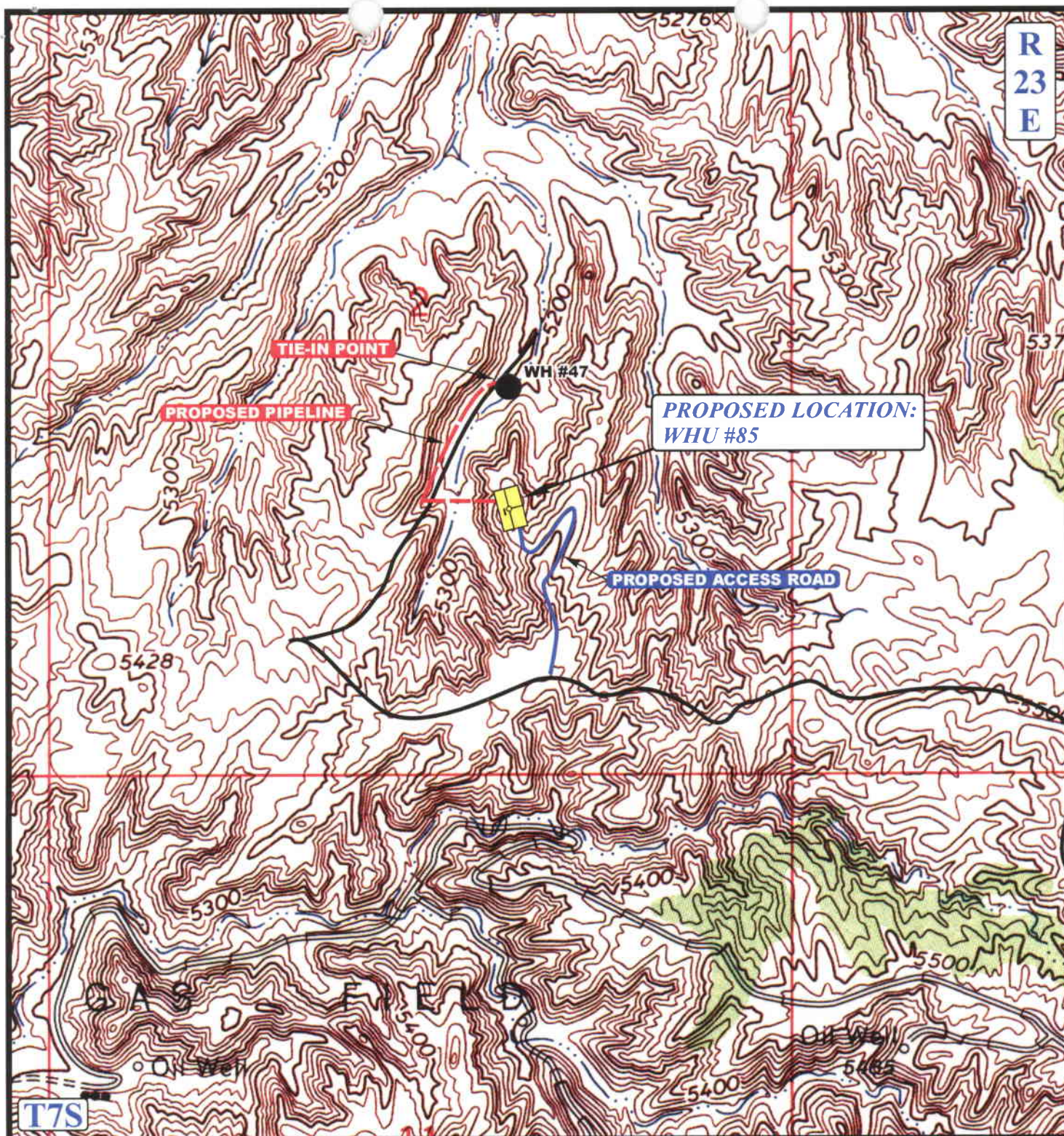
**TOPOGRAPHIC  
MAP**

02 02 04  
MONTH DAY YEAR

**C**  
**TOPO**

**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813





APPROXIMATE TOTAL FLOW AND FUEL GAS PIPELINE DISTANCE = 1500' +/-

# LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



CITATION OIL & GAS CORP.

WHU #85

SECTION 2, T7S, R23E, S.L.B.&M.

1908' FSL 1996' FEL



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

02 02 04  
MONTH DAY YEAR

SCALE: 1" = 1000'

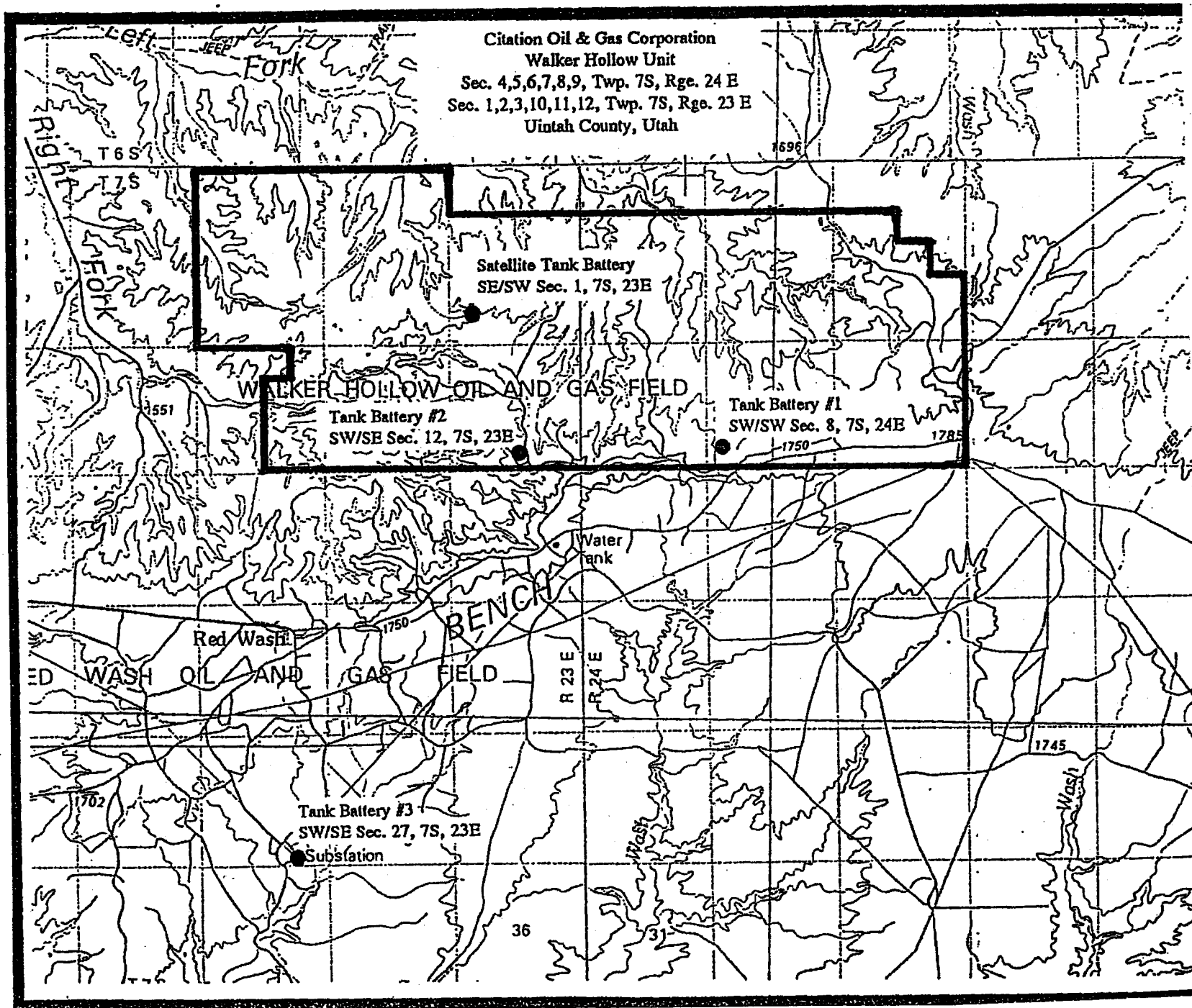
DRAWN BY: T.H.

REVISED: 00-00-00

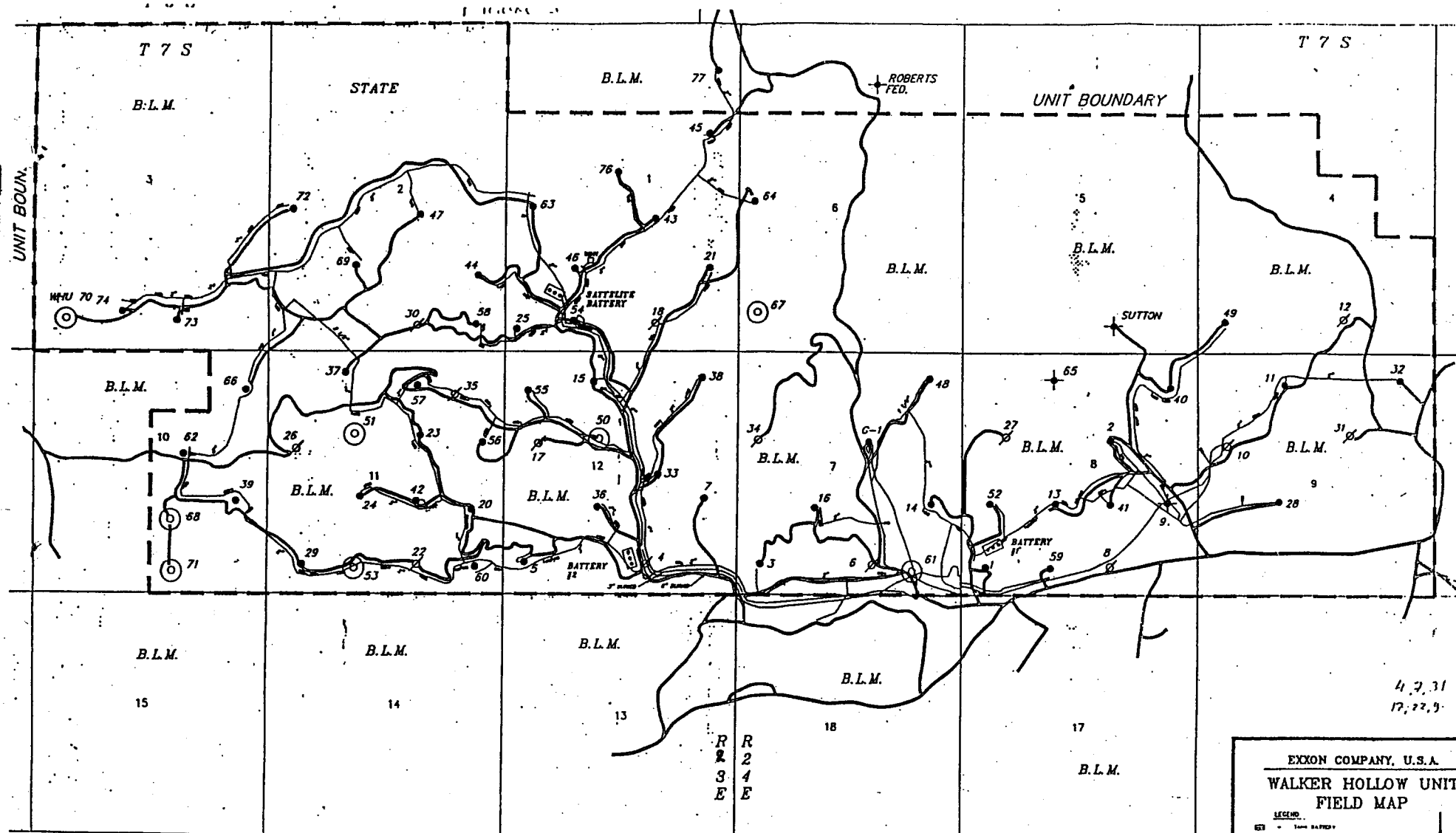
D  
TOPO



Walker Hollow Unit  
Tank Battery Locations







EXXON COMPANY, U.S.A.

**WALKER HOLLOW UNIT  
FIELD MAP**

LEGEND

- EST - Town BATTERY
- - PRODUCTION WELLS
- - WATER WELLS
- - SHALLOWLY LEAKED WELLS
- - ABANDONED WELLS
- - PROPOSED WELLS
- - WATER INJECTION WELLS
- - SUPPLY WELLS

1000' 500' 0'

SCALE

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

005

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side**1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
**CITATION OIL & GAS CORP.**3a. Address  
**P.O. Box 690688, Houston, Texas 77269-0688**3b. Phone No. (include area code)  
**(281) 517-7800**4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1996' FEL & 1980' FSL NW SE Section 2-7S-23E**  
**1908**

5. Lease Serial No.

**UTSL 066312**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
**Walker Hollow Unit**

8. Well Name and No.

**Walker Hollow Unit #85**

9. API Well No.

10. Field and Pool, or Exploratory Area

**Walker Hollow Green River**11. County or Parish, State  
**Uintah County UT**

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Surface</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>Commingle</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**Citation Oil & Gas Corp. currently has approval to surface commingle the production from the Walker Hollow Unit and U S A Pearl Broadhurst at the production battery 3 via pipeline.**

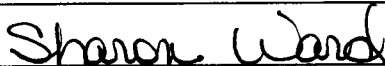
**Citation requests permission to commingle the production from the Walker Hollow Unit 85 with the existing production from the Walker Hollow Unit and U S A Pearl Broadhurst leases. The wells will be tested at each lease and the production from the 82 well will be sold in common with the Walker Hollow Unit production. The oil will continue to be gauged at the USA Pearl Broadhurst lease then transferred to the Walker Hollow Unit production battery (3) via pipeline. All production will be sold at the Lact Unit. The U S A Pearl Broadhurst tickets are split out from the total sales giving both leases their share of production. Then each well is allocated back by well tests.**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

**Sharon Ward**

Signature



Title

**Regulatory Administrator**

Date

**March 26, 2004****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

003

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other
2. Name of Operator  
**CITATION OIL & GAS CORP.**
- 3a. Address  
**P.O. Box 690688, Houston, Texas 77269-0688**
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**~~1980 FSL & 1996' FEL NW SE Section 2-7S-23E~~**  
**1908**

3b. Phone No. (include area code)  
**(281) 517-7800**

5. Lease Serial No.  
**UTSL 066312**
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.  
**Walker Hollow Unit**
8. Well Name and No.  
**Walker Hollow Unit #85**
9. API Well No.
10. Field and Pool, or Exploratory Area  
**Walker Hollow Green River**
11. County or Parish, State  
**Uintah County UT**

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Dispose of</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>produced water into</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<b>injection system</b>

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Citation Oil & Gas Corp. requests permission to dispose of produced water from our Walker Hollow Unit 83 well into a common commingled injection system in the Walker Hollow Unit.

OR. - see email 4/26/2004 from Sharon Ward for additional information

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Sharon Ward

Signature

Sharon Ward

Title

Regulatory Administrator

Date

March 26, 2004

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

001

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF OIL, GAS AND MINING**

FORM 3

AMENDED REPORT ☐  
(highlight changes)

**APPLICATION FOR PERMIT TO DRILL**

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: <u>State 066312</u>	6. SURFACE: State
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		8. UNIT or CA AGREEMENT NAME: Walker Hollow Unit	
3. ADDRESS OF OPERATOR: P O Box 690688 CITY Houston STATE TX ZIP 77269		9. WELL NAME and NUMBER: Walker Hollow Unit #85	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1980 FSL & 1996' FEL Latitude: 40 14'11.44" Longitude: 109 17' 31.33" AT PROPOSED PRODUCING ZONE: 1980 FSL & 1996' FEL 4455212Y 40.23664 645365X -109.29120		10. FIELD AND POOL, OR WILDCAT: Walker Hollow Green River	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 27.5 miles East of Vernal Utah		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 7S 23E	12. COUNTY: Uintah
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 5440 ±	16. NUMBER OF ACRES IN LEASE: 3277.20	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1200 ±	19. PROPOSED DEPTH: ± 5,535	20. BOND DESCRIPTION: MT O630	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5376	22. APPROXIMATE DATE WORK WILL START: 2004	23. ESTIMATED DURATION: 8 Days	

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4	8 5/8 J-55 24 ppf	400	Class A + additives 225 sxs
7 7/8	5 1/2 J-55 15.5 ppf	5,535	Class G + additives 365 sxs

RECEIVED

APR 01 2004

DIV. OF OIL, GAS &amp; MINING

**25. ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Sharon Ward

TITLE Regulatory Administrator

SIGNATURE

Sharon Ward

DATE 3/24/2004

(This space for State use only)

API NUMBER ASSIGNED:

43-047-35609

APPROVAL:

**Approved by the**  
**Utah Division of**  
**Oil, Gas and Mining**

Date: 05-11-04By: [Signature]

## INSTRUCTIONS

**This form shall be submitted in duplicate by the operator prior to the commencement of:**

- drilling a new well,
- re-entering a plugged well,
- significantly deepening an existing well bore below the current bottom-hole depth,
- drilling horizontal laterals from an existing well bore,
- drilling hydrocarbon exploratory holes such as core samples and stratigraphic tests,
- any surface disturbance associated with any of the above.

This applies to all wells drilled within Utah, regardless of lease designation. Filings must also be made to applicable federal agencies for permits on Indian or federal leases.

**The following information shall be included as part of the complete application:**

- The telephone number of the person to contact if additional information is needed;
- Mineral lease number (item 5);
- Identification of the type of surface ownership – Federal, Indian, State or Fee (item 6);
- A plat or map, preferably on a scale of one inch equals 1,000 feet, prepared by a licensed surveyor or engineer, which shows the proposed well location. For directional wells, both surface and bottomhole locations should be marked;
- A copy of the Division of Water Rights approval or the identifying number of the approval for use of water at the drilling site;
- A drilling program containing the following information:
  - The estimated tops of important geologic markers;
  - The estimated depths at which the top and the bottom of anticipated water, oil, gas, or other mineral-bearing formations are expected to be encountered, and the owner's or operator's plans for protecting such resources;
  - The owner's or operator's minimum specifications for pressure control equipment to be used and a schematic diagram thereof showing sizes, pressure ratings or API series, proposed testing procedures and testing frequency;
  - Any supplementary information more completely describing the drilling equipment and casing program as shown on this form;
  - The type and characteristics of the proposed circulating medium or mediums to be employed in drilling, the quantities and types of mud and weighting material to be maintained, and the monitoring equipment to be used on the mud system;
  - The anticipated type and amount of testing, logging, and coring;
  - The expected bottomhole pressure and any anticipated abnormal pressures or temperatures or potential hazards, such as hydrogen sulfide, expected to be encountered, along with contingency plans for mitigating such identified hazards;
  - Any other facets of the proposed operation which the lessee or operator desires to point out for the division's consideration of the application.
- A Form 5, Designation of Agent or Operator, if the operator is a person or company other than the lease owner.

Approval of the APD shall be valid for a period of 12 months from the date of such approval. Upon approval of an APD, a well will be assigned an API number by the division. **The API number should be used to identify the permitted well in all future correspondence and reporting to the division.**

If a change of location or drilling program is desired, an amended APD shall be filed and its approval obtained.

After a well has been completed or plugged and abandoned, it shall not be reentered without the operator first submitting a new APD and obtaining the division's approval.

Information on a newly permitted well will be held confidential only upon receipt by the division of a written request from the owner or operator. The period of confidentiality may begin at the time the APD is submitted for approval if a request for confidentiality is received at that time, although the information on the application itself will not be considered confidential. All correspondence and reports pertaining to the permitted well should be clearly stamped 'confidential' or 'tight hole'.

Send to:

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

Sec. 35  
EAST - 5280.00' (G.L.O.)

T6S  
T7S

### CITATION OIL & GAS CORP.

Well location, WHU #85, located as shown in the NW 1/4 SE 1/4 of Section 2, T7S, R23E, S.L.B.&M. Uintah County, Utah

#### BASIS OF ELEVATION

SPOT ELEVATION AT AN INTERSECTION LOCATED IN THE NE 1/4 OF SECTION 12, T7S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5608 FEET.

#### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 40°14'11.44" (40.236551)

LONGITUDE = 109°17'31.33" (109.292036)



SCALE

#### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*[Signature]*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 01-30-04	DATE DRAWN: 01-30-04
PARTY B.B. T.H. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE CITATION OIL & GAS CORP.	

N00°02'W - 4649.70' (G.L.O.)

N00°01'10"E - 2639.25' (Meas.)

N00°01'W - 2005.74' (G.L.O.)

NORTH - 2639.74' (Meas.)

N00°00'51"E - 2639.49' (Meas.)

LOT 4

LOT 3

LOT 2

LOT 1

LOT 5

LOT 6

LOT 7

LOT 8

LOT 12

LOT 11

LOT 10

LOT 9

T7S, R23E, S.L.B.&M.

#### LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

1936 Brass Cap  
0.3' High, Pile  
of Stones

1936 Brass Cap  
0.3' High, Pile  
of Stones

1936 Brass Cap  
0.3' High

WHU #85

Elev. Ungraded Ground = 5376'

1996'

1908'

1936 Brass Cap  
0.8' High, Pile  
of Stones

1936 Brass Cap  
1.2' High, Pile  
of Stones

1936 Brass Cap  
0.3' High, Pile  
of Stones

N89°57'16"W - 2637.34' (Meas.)

N89°56'43"W - 2638.06' (Meas.)

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/01/2004

API NO. ASSIGNED: 43-047-35609

WELL NAME: WHU 85

OPERATOR: CITATION OIL &amp; GAS CORP ( N0265 )

CONTACT: SHARON WARD

PHONE NUMBER: 281-517-7309

## PROPOSED LOCATION:

NWSE 02 070S 230E

SURFACE: 1908 FSL 1996 FEL

BOTTOM: 1908 FSL 1996 FEL

UINTAH

WALKER HOLLOW ( 700 )

LEASE TYPE: 3 - State

LEASE NUMBER: UTSL 066312 *rv*

SURFACE OWNER: 3 - State

PROPOSED FORMATION: GRRV

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	<i>DRD</i>	<i>5/10/04</i>
Geology		
Surface		

LATITUDE: 40.23664

LONGITUDE: 109.29120

## RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[] Ind[] Sta[3] Fee[]  
 (No. MT 0630 )

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit  
 (No. 53617 )

☒ RDCC Review (Y/N)  
 (Date: \_\_\_\_\_ )

☒ Fee Surf Agreement (Y/N)

## LOCATION AND SITING:

\_\_\_ R649-2-3.

Unit WALKER HOLLOW

\_\_\_ R649-3-2. General

Siting: 460' From Qtr/Qtr & 920' Between Wells

\_\_\_ R649-3-3. Exception

☒ Drilling UnitBoard Cause No: 117-1Eff Date: 8-19-1965Siting: 460' fr boundary, 920' fr other wells

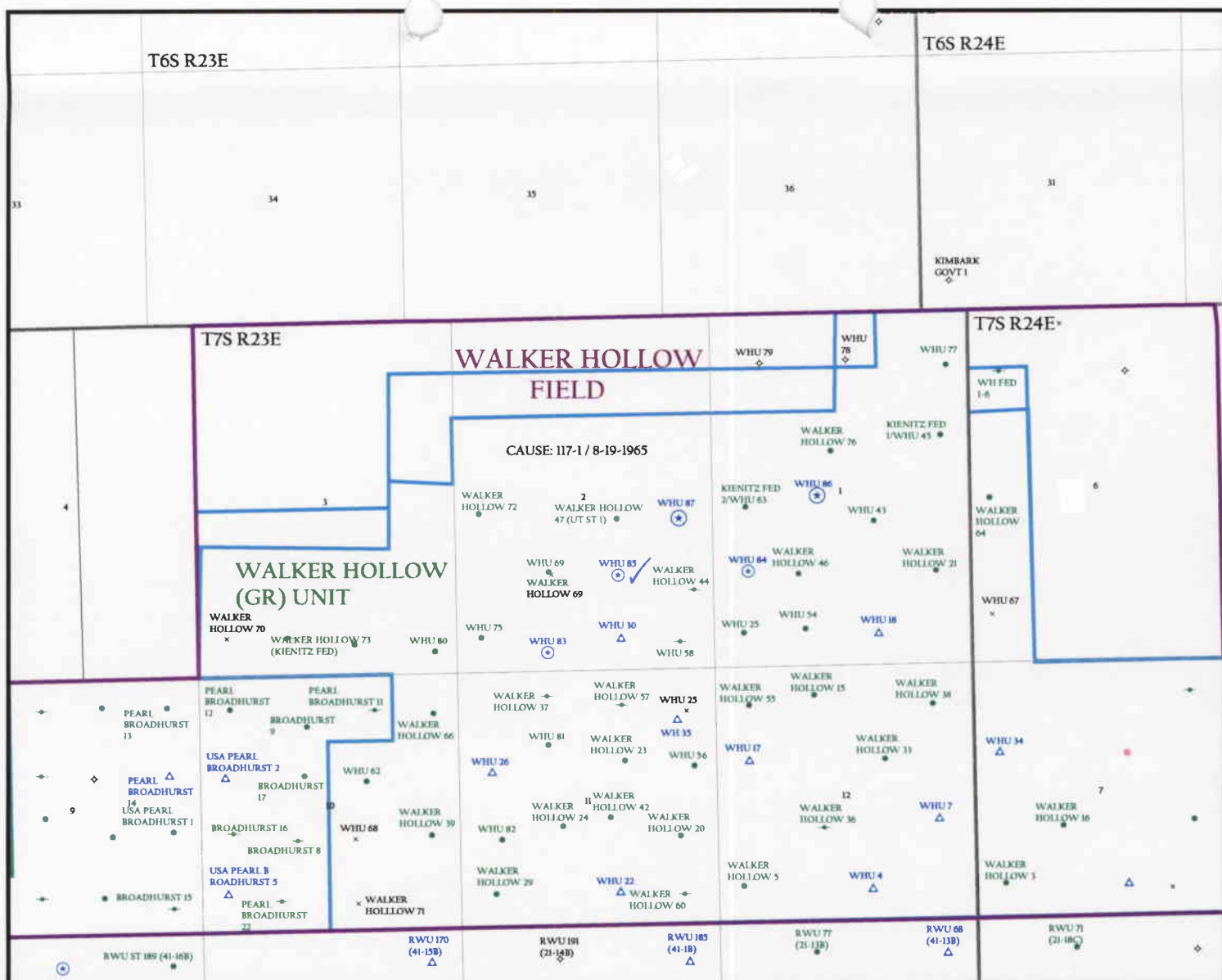
\_\_\_ R649-3-11. Directional Drill

## COMMENTS:

Needs Permit (4-13-04)

## STIPULATIONS:

① STATEMENT OF BASIS



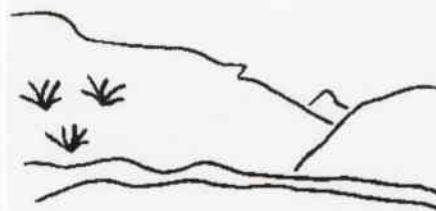
OPERATOR: CITATION O&G CORP (N0265)

SEC. 2 T.7S, R.23E

FIELD: WALKER HOLLOW (700)

COUNTY: UINTAH

CAUSE: 117-1 / 8-19-1965



Utah Oil Gas and Mining

#### Well Status

- ⚡ GAS INJECTION
- ⬢ GAS STORAGE
- × LOCATION ABANDONED
- ⊙ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- ⋈ PRODUCING GAS
- PRODUCING OIL
- ⊖ SHUT-IN GAS
- ➔ SHUT-IN OIL
- ✕ TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ◆ WATER SUPPLY
- ⚡ WATER DISPOSAL

#### Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

#### Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY  
DATE: 2-APRIL-2004



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

**IN REPLY REFER TO:**

3160

(UT-922)

April 5, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2004 Plan of Development Walker Hollow Unit  
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2003 within the Walker Hollow Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
-------	-----------	----------

(Proposed PZ Green River)

43-047-35607	WHU 86 Sec 1	T07S R23E 3541 FSL 2085 FWL
43-047-35608	WHU 84 Sec 1	T07S R23E 1985 FSL 0673 FWL
43-047-35609	WHU 85 Sec 2	T07S R23E 1908 FSL 1996 FEL
43-047-35610	WHU 83 Sec 2	T07S R23E 0421 FSL 1849 FWL
43-047-35611	WHU 87 Sec 2	T07S R23E 3087 FSL 0750 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Walker Hollow Unit  
Division of Oil Gas and Mining  
Agr. Sec. Chron  
Fluid Chron

MCoulthard:mc:4-5-04

**DIVISION OF OIL, GAS AND MINING**  
**APPLICATION FOR PERMIT TO DRILL**  
**STATEMENT OF BASIS**

**OPERATOR:** CITATION OIL & GAS CORP.  
**WELL NAME & NUMBER:** WHU #85  
**API NUMBER:** 43-047-35609  
**LOCATION:** 1/4,1/4 NW/SE Sec: 2 TWP: 7S RNG: 23E 1996' FEL 1908' FSL

**Geology/Ground Water:**

Citation proposes to set 400 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 5,400 feet. A search of Division of Water Rights records shows 3 water wells within a 10,000 foot radius of the proposed location. These wells are owned by Chevron USA and are used as a water supply well for the Red Wash secondary recovery project. These wells are almost to the edge of the 10,000' radius. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

**Reviewer:** Brad Hill **Date:** 04-22-04

**Surface:**

The predrill investigation of the surface was performed on 4/13/2004. Floyd Bartlett with DWR and Ed Bonner with SITLA were invited to this investigation on 4/06/2004. Both were present. Neither had any concerns regarding the construction of this location or the drilling of this well. This area has extremely steep slopes with very loose soil requiring a liner and felt sub-liner in the reserve pit. Because of the loose soil and steep slopes, the possibility of erosion damaging the location is a serious concern. The existing drainage which crosses the southeast corner of the site will be re-routed to a diversion ditch to the east. This diversion ditch must be maintained throughout the life of this well. This appears to be the best spot for a location in the immediate area.

**Reviewer:** David W. Hackford **Date:** 04/13/2004

**Conditions of Approval/Application for Permit to Drill:**

1. A 12 mil liner and felt sub-liner shall be properly installed and maintained in the reserve pit.

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

**OPERATOR:** CITATION OIL & GAS CORP.  
**WELL NAME & NUMBER:** WHU# 85  
**API NUMBER:** 43-047-35609  
**LEASE:** 066312 **FIELD/UNIT:** WALKER HOLLOW  
**LOCATION:** 1/4, 1/4 NW/NE sec: 2 TWP: 7S RNG: 23E 1996' FEL 1908' FSL  
**LEGAL WELL SITING:** 460' from unit boundary and 920' from another well.  
**GPS COORD (UTM):** 4455203N 645357E **SURFACE OWNER:** STATE OF UTAH

**PARTICIPANTS**

DAVID W. HACKFORD (DOGM), JOHN LONG, ROBERT EYE (CITATION), FLOYD BARTLETT (DWR), ED BONNER (SITLA).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

SITE IS ON A SHARP HOGBACK RIDGE WHICH RUNS TO THE NORTHEAST. THERE ARE SHARP DRAWS 300' TO THE NORTHWEST AND SOUTHEAST WHICH COME TOGETHER 800' TO THE NORTH. THIS DRAINAGE CONTINUES TO THE NORTH AND ENTERS LEFT FORK OF WALKER HOLLOW 1.25 MILES AWAY. WALKER HOLLOW RUNS TO THE NORTHWEST AND ENTERS THE GREEN RIVER SEVEN MILES AWAY.

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 325' BY 205'. ACCESS ROAD WILL BE 0.3 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: EMULSION FROM THIS WELL WILL BE PIPELINED TO AN EXISTING CO-MINGLE BATTERY. THE ONLY EQUIPMENT ON LOCATION WILL BE A PUMPJACK AND LINE HEATER. PIPELINE RUN 1000' TO THE WEST, THEN NORTH TO THE WHU #47.

SOURCE OF CONSTRUCTION MATERIAL: ALL MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

**WASTE MANAGEMENT PLAN:**

DRILLED CUTTINGS WILL BE SETTLED INTO THE RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE OR TRUCKED FROM LOCATION. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: SALTBRUSH, JUNIPER, SAGE, SHADSCALE, GREASEWOOD, PRICKLY PEAR: PRONGHORN, COYOTES, SONGBIRDS, RAPTORS, RODENTS, RABBITS, DEER.

SOIL TYPE AND CHARACTERISTICS: LIGHT RED CLAY.

EROSION/SEDIMENTATION/STABILITY: EROSION AND STABILITY COULD BOTH BE A PROBLEM AT THIS SITE BECAUSE OF THE STEEP SIDEHILLS AND LOOSE SOIL. A DIVERSION DITCH WHICH WILL BE CREATED AROUND THE EAST SIDE OF THE LOCATION SHOULD BE MAINTAINED WHILE WELL IS BEING DRILLED AND UNTILL WELL IS PA'D AND LOCATION RECLAIMED.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

**RESERVE PIT**

CHARACTERISTICS: RESERVE PIT WILL BE 100' BY 50' AND 12' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 MIL LINER AND FELT SUB-LINER WILL BE REQUIRED FOR RESERVE PIT.

**SURFACE RESTORATION/RECLAMATION PLAN**

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY MOAC ARCHAEOLOGY. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

**OTHER OBSERVATIONS/COMMENTS**

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A WARM, SUNNY DAY WITH NO SNOW COVER.

**ATTACHMENTS**

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD  
DOGM REPRESENTATIVE

4/13/04. 10:50 AM  
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>10</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**      35      (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

**DIVISION OF OIL, GAS AND MINING  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**OPERATOR:** CITATION OIL & GAS CORP.  
**WELL NAME & NUMBER:** WHU #85  
**API NUMBER:** 43-047-35609  
**LOCATION:** 1/4,1/4 NW/SE Sec: 2 TWP: 7S RNG: 23E 1996' FEL 1908' FSL

**Geology/Ground Water:**

Citation proposes to set 400 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 5,400 feet. A search of Division of Water Rights records shows 1 water well within a 10,000 foot radius of the proposed location. This well is owned by Chevron USA and is used as a water supply well for the Red Wash secondary recovery project. This well is almost to the edge of the 10,000' radius. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

**Reviewer:** Brad Hill **Date:** 04-22-04

**Surface:**

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**Reviewer:** David W. Hackford **Date:** 04/13/2004

**Conditions of Approval/Application for Permit to Drill:**

1. A 12 mil liner and felt sub-liner shall be properly installed and maintained in the reserve pit.



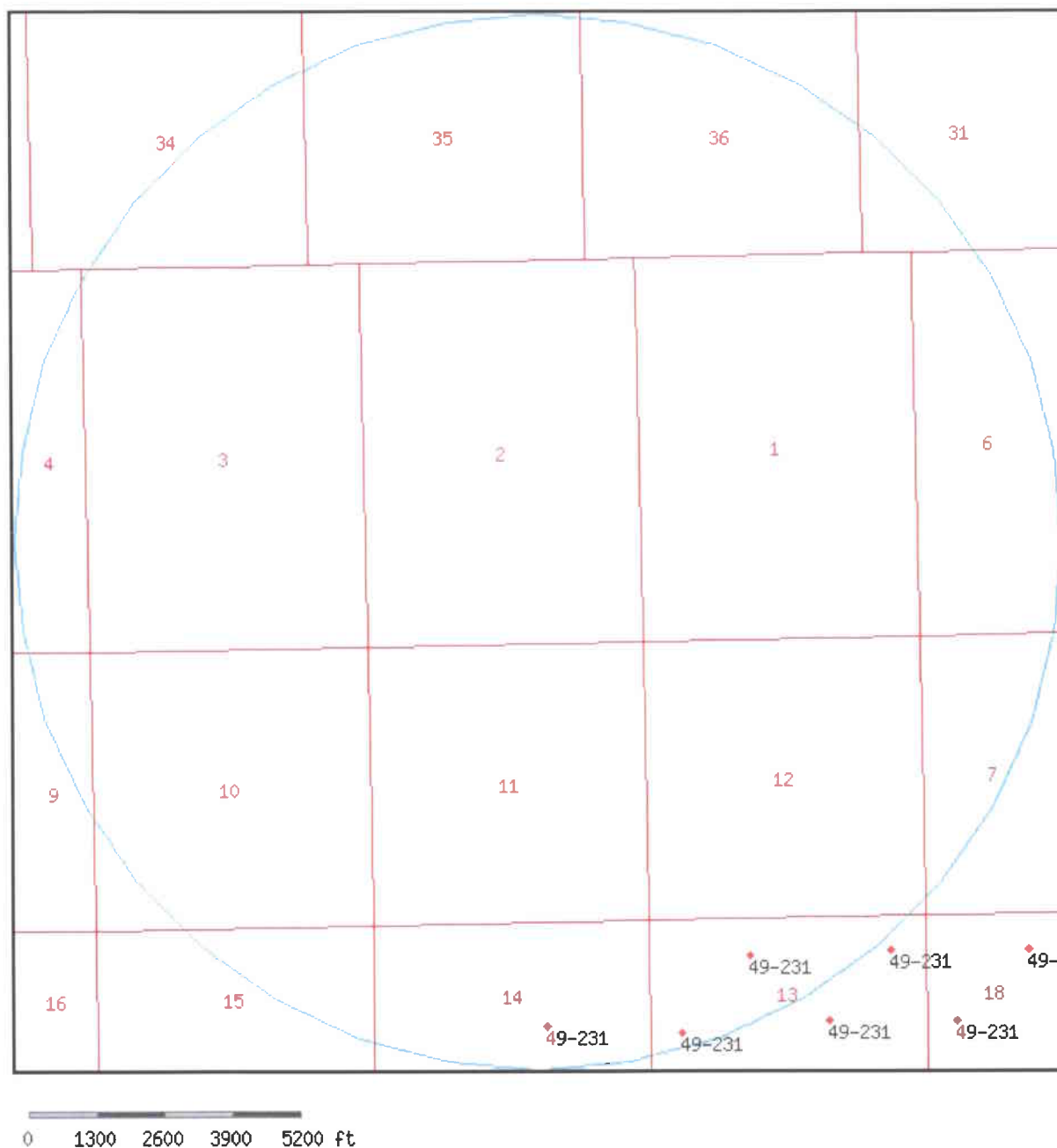




## WRPLAT Program Output Listing

Version: 2004.03.26.00 Rundate: 04/22/2004 10:38 AM

Radius search of 10000 feet from a point N1908 W1996 from the SE corner, section 02, Township 7S, Range 23E, SL b&m  
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



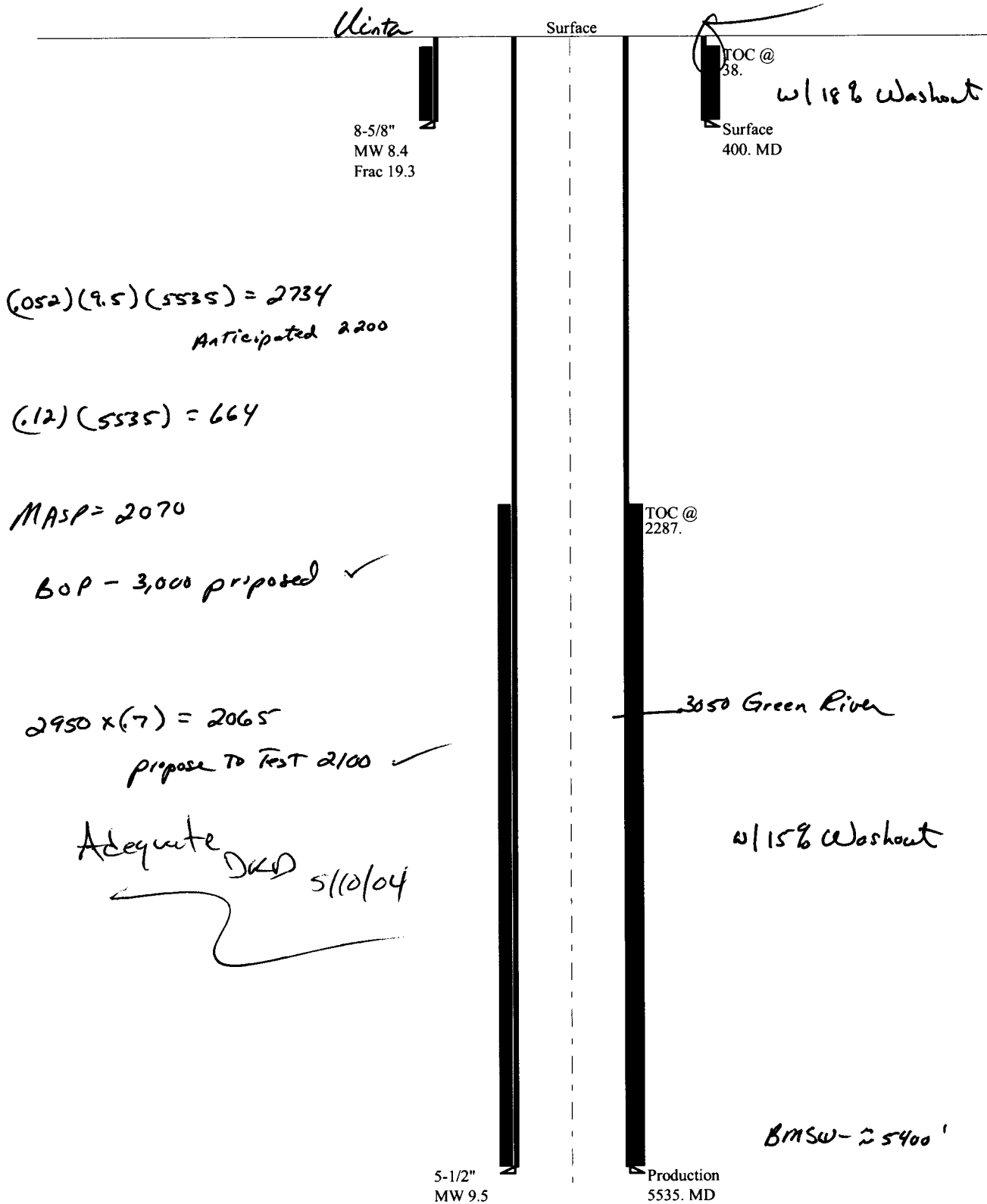
**Water Rights**

<b>WR Number</b>	<b>Diversion Type/Location</b>	<b>Well Log</b>	<b>Status</b>	<b>Priority</b>	<b>Uses</b>	<b>CFS</b>	<b>ACFT</b>	<b>Owner Name</b>
<u>49-231</u>	Underground S660 W660 NE 13 7S 23E SL		A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S655 E1923 NW 13 7S 23E SL		A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S1980 W1840 NE 13 7S 23E SL		A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S2132 E631 NW 13 7S 23E SL		A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S1980 W1980 NE 14 7S 23E SL		A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S1980 E587 NW 18 7S 24E SL		A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S660 E1980 NW 18 7S 24E SL		A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South

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# 04-04 Citation WHU 85

## Casing Schematic



Well name:

**04-04 Citation WHU 85**Operator: **Citation O&G Corp**String type: **Surface**

Project ID:

43-047-35609

Location: **Uintah County****Design parameters:****Collapse**

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 71 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 200 ft

Cement top: 38 ft

**Burst**Max anticipated surface  
pressure:

144 psi

Internal gradient: 0.468 psi/ft

Calculated BHP 331 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 350 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 5,535 ft

Next mud weight: 9.500 ppg

Next setting BHP: 2,732 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 400 ft

Injection pressure 400 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	400 ✓	8.625 ✓	24.00 ✓	J-55 ✓	ST&C	400	400	7.972	19.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	175	1370	7.849 ✓	331	2950	8.92 ✓	10	244	25.42 J ✓

Prepared Clinton Dworshak  
by: Utah Div. of Oil & MiningPhone: 801-538-5281  
FAX: 801-359-3940Date: April 28, 2004  
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 400 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:

**04-04 Citation WHU 85**Operator: **Citation O&G Corp**String type: **Production**

Project ID:

**43-047-35609**Location: **Uintah County****Design parameters:****Collapse**Mud weight: 9.500 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 142 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 368 ft

Cement top: 2,287 ft

**Burst**Max anticipated surface pressure: 144 psi  
Internal gradient: 0.468 psi/ft  
Calculated BHP 2,732 psi

No backup mud specified.

**Tension:**8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.  
Neutral point: 4,739 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5535 ✓	5.5 ✓	15.50 ✓	J-55 ✓	LT&C	5535	5535	4.825	173.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2732	4040	1.479 ✓	2732	4810	1.76 ✓	86	217	2.53 J ✓

Prepared by: Clinton Dworshak  
Utah Div. of Oil & MiningPhone: 801-538-5281  
FAX: 801-359-3940Date: April 28, 2004  
Salt Lake City, Utah**Remarks:**Collapse is based on a vertical depth of 5535 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes.  
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

**From:** "Sharon Ward" <SWard@cogc.com>  
**To:** <clintondworshak@utah.gov>  
**Date:** 4/26/2004 12:04:18 PM  
**Subject:** Walker Hollow Unit APD's

Per your request for the yield for the surface casing and the tail of the production casing:

Surface casing: 1.18 cubic feet/sack yield and a 15.6 ppg cement density

Production casing: Lead Cement - 3.91 cubic feet/sack yield and a 11.0 ppg cement density

Tail Cement - 1.36 cubic feet/sack yield  
and a 14.1 ppg cement density

Per your request for the testing of production and water:

As far as the produced water is concerned, we will be transferring all oil, gas, and water to centralized production facilities where we will have the capability of producing into gross separators and heater treaters or testing the wells on an individual basis for oil, gas, and water volumes. The wells are planned to be tested for 24 hour periods, through test separator facilities, on a monthly basis and reported as such.

If you require additional information, please advise.

Thank you,

Sharon Ward

Regulatory Administrator

Citation Oil & Gas Corp.

281-517-7309

Fax 281-469-9667

012

43.047.35609  
T. 7S, R. 23E, S. 2

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 5/3/2004 9:34:38 AM  
**Subject:** Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

The Houston Exploration Company  
Bonanza 4D-16

Citation Oil & Gas Corporation  
Walker Hollow Unit 83  
Walker Hollow Unit 85  
Walker Hollow Unit 87

QEP Uinta Basin Inc  
WH 13G-2-7-24

EOG Resources Inc  
Chapita Wells Unit 862-32

ConocoPhillips Company  
Utah 5-224

If you have any questions regarding this matter please give me a call.

**CC:** Garrison, LaVonne; Hill, Brad; Hunt, Gil





State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

May 11, 2004

Citation Oil & Gas Corporation  
P O Box 690688  
Houston, TX 77269

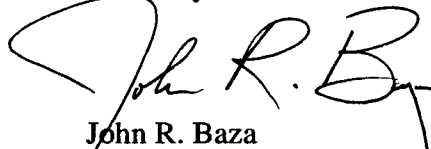
Re: Walker Hollow Unit 85 Well, 1908' FSL, 1996' FEL, NW SE, Sec. 2,  
T. 7 South, R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35609.

Sincerely,



John R. Baza  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
SITLA  
Bureau of Land Management – Vernal Field Office

**Operator:** Citation Oil & Gas Corporation  
**Well Name & Number** Walker Hollow Unit 85  
**API Number:** 43-047-35609  
**Lease:** UTSL 066312

**Location:** NW SE      **Sec.** 2      **T.** 7 South      **R.** 23 East

### **Conditions of Approval**

**1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**2. Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

**3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

**4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.**

**5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)**

**DIVISION OF OIL, GAS AND MINING****SPUDDING INFORMATION**Name of Company: CITATION OIL & GAS CORPWell Name: WHU 85Api No: 43-047-35609 Lease Type: STATESection 02 Township 07S Range 23E County UINTAHDrilling Contractor BILL MARTIN RIG # RATHOLE**SPUDDED:**Date 07/27/04Time 6:00 PMHow DRY**Drilling will commence:** \_\_\_\_\_Reported by ROBERT EYETelephone # 1-435-790-4406Date 07/28/2004 Signed CHD

014

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

RECEIVED FORM 6

JUL 29 2004

## ENTITY ACTION FORM

DIV. OF OIL, GAS &amp; MINING

Operator: Citation Oil & Gas Corp. Operator Account Number: N 0265  
Address: P.O. Box 690688  
city Houston  
state TX zip 77269-0688 Phone Number: (281) 617-7194

## Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304735810	Walker Hollow Unit 83	SESW	2	7S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
B	99999	610	7/20/2004	7/29/04		
Comments: New well being drilled in the Walker Hollow Unit GRU						

CONFIDENTIAL as of 7/7/04 ER

## Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304735809	Walker Hollow Unit 85	NWSE	2	7S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
B	99999	610	7/28/2004	7/29/04		
Comments: New well being drilled in the Walker Hollow Unit GRU						

CONFIDENTIAL as of 7/7/04 ER

## Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

## ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Debra Harris

Name (Please Print)

Signature

Prod/Reg Coordinator

Title

7/29/2004

Date



October 4, 2004

State of Utah  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Sale Lake City, Utah 84114-5801

Re: "CONFIDENTIALITY"  
Walker Hollow Green River Unit  
Well #85 – API 43-047-35609  
NW SE Sec. 2, T7S, R23E  
Uintah County, Utah

Gentlemen:

Citation Oil & Gas Corp. requests "CONFIDENTIALITY" under State of Utah DOGM R649-2-11., for the recently drilled and completed well which is referenced above. All items have been stamped "CONFIDENTIAL" in red as required by the rule.

I have enclosed Form 8 – Well Completion Report and Log. The logs were submitted previously by the logging company, so they were not stamped 'CONFIDENTIAL'. Please advise if these previously submitted logs can also be kept confidential as well as the completion forms.

If you need additional information, please contact me at (281) 517-7194.

Sincerely,

A handwritten signature in cursive script that reads "Debra Harris".

Debra Harris  
Production/Regulatory Coordinator

/dkh

Enclosures

RECEIVED

OCT 07 2004

DIV. OF OIL, GAS & MINING

**CONFIDENTIAL****015****STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MININGAMENDED REPORT ☐ FORM 8  
(highlight changes)**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

<b>1a. TYPE OF WELL:</b> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____						<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTSL 066312			
<b>b. TYPE OF WORK:</b> NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____						<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</b>			
<b>2. NAME OF OPERATOR:</b> Citation Oil & Gas Corp.						<b>7. UNIT or CA AGREEMENT NAME</b> UTU66837A Walker Hollow			
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 690688 CITY Houston STATE TX ZIP 77269-0688						<b>8. WELL NAME and NUMBER:</b> Walker Hollow Unit 85			
<b>4. LOCATION OF WELL (FOOTAGES):</b> AT SURFACE: 1908' FSL & 1996' FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: Same AT TOTAL DEPTH: Same						<b>9. API NUMBER:</b> 4304735609			
<b>10. FIELD AND POOL, OR WILDCAT</b> Walker Hollow Green River						<b>11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> NWSE 2 7S 23E			
<b>12. COUNTY</b> Uintah						<b>13. STATE</b> UTAH			
<b>14. DATE SPURRED:</b> 7/28/2004		<b>15. DATE T.D. REACHED:</b> 8/11/2004		<b>16. DATE COMPLETED:</b> 9/22/2004		<b>17. ELEVATIONS (DF, RKB, RT, GL):</b> 5306 GL			
<b>18. TOTAL DEPTH:</b> MD 5,525 TVD 5,525		<b>19. PLUG BACK T.D.:</b> MD 5,525 TVD 5,525		<b>20. IF MULTIPLE COMPLETIONS, HOW MANY? *</b> N/A		<b>21. DEPTH BRIDGE PLUG SET:</b> MD TVD			
<b>22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)</b> CBL/GR/CCL (previously submitted by logger) Z-Densilog/CNL (previously submitted by logger), END/HOE/IGA, CBL						<b>23.</b> WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)			
<b>24. CASING AND LINER RECORD (Report all strings set in well)</b>									
HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12-1/4"	8-5/8 J55	24#	0	401		Type II 266		Surface	N/A
7-7/8"	5-1/2 J55	15.5#	0	5,525		G 620		900'	N/A
<b>25. TUBING RECORD</b>									
SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	
2-7/8"	5503	--							
<b>26. PRODUCING INTERVALS</b>					<b>27. PERFORATION RECORD</b>				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) Green River	5,394	5,520	5,394	5,520	5,394 5,520	4"		Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
<b>28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.</b>									
DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL								
5510' - 5520'	Pumped 23.8 bbls 7.5% HCl								
5477' - 5488'	Frac'd with 34966# 20/40 sd								
5394' - 5452'	Pumped 35 bbls 7.5% HCl; frac'd with 49205# 20/40 sd								
<b>29. ENCLOSED ATTACHMENTS:</b> <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION <input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS <input type="checkbox"/> DST REPORT <input type="checkbox"/> OTHER: _____ <input type="checkbox"/> DIRECTIONAL SURVEY								<b>30. WELL STATUS:</b>  Producing	

(5/2000)

(CONTINUED ON BACK)

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DIV. OF OIL, GAS &amp; MINING

## 31. INITIAL PRODUCTION

CONFIDENTIAL

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 9/24/2004	TEST DATE: 9/26/2004	HOURS TESTED: 24	TEST PRODUCTION RATES: →	OIL - BBL: 100	GAS - MCF: 41	WATER - BBL: 524	PROD. METHOD: Pumping
CHOKE SIZE: N/A	TBG. PRESS. 200	CSG. PRESS. 150	API GRAVITY 26.00	BTU - GAS —	GAS/OIL RATIO 410	24 HR PRODUCTION RATES: →	INTERVAL STATUS: Producing

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

## 32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Used for fuel

## 33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Green River	5,394	5,520	Oil/Gas/Water	Green River	5,394

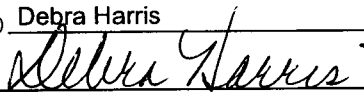
## 35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Debra Harris

TITLE Production/Regulatory Coordinator

SIGNATURE



DATE 10/1/2004

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

# Citation Oil & Gas Corp.

016

RMA

WALKER HOLLOW UNIT 85

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

TOPS R 23E S-02

43-049-3569

CONFIDENTIAL

CapBudget#: 322

AFE#: 040247

AFE Cost: \$804,000

COG WI: 100 %

STATUS: A

Prior Production:	BOPD	MCFPD	BWPD
Proj. Production:	50 BOPD	40 MCFPD	BWPD
Prior Lease:	BOPD	MCFPD	BWPD

7/29/2004 Day: 1 /

**Present Operation:** Shut Down Until Further Activity

Drill Mouse & Rat holes. Set 400.9' 8-5/8" 24# csg. Run 1 jt ST&C 8 rnd Range 3 w/ baffle plate insert, top 8 jts of same make, type & wt. Cement w/ 266 sx premium type II 2% CACL w/ 25 sx FLCELE. SD until further activity.

DC: \$57,553 CC: \$57,553 TD: PBTD:

8/1/2004 Day: 2 /

**Present Operation:** Drilling 7 7/8" hole w/ PDC

Mud: Wt: 8.4, Vis: 32, Type: Fresh Wtr. 12 hrs-MIRU. 5 hrs-test BOP. 1 hr-PU BHA. 4 hrs-drill floats & cmt. 2 hrs-drlg. Install desander w/ LCM recovery unit.

DC: \$19,587 CC: \$77,140 TD: PBTD:

8/2/2004 Day: 3 /

**Present Operation:** Drilling

Mud: Wt: 8.3, Vis: 27, Type: Wtr. 23 3/4 hrs-drlg. 3/4 hr-Survey & rig service.

DC: \$28,419 CC: \$105,559 TD: PBTD:

8/3/2004 Day: 4 /

**Present Operation:** Drilling

Mud: Wt: 8.8, Vis: 40, WI: 11. Type: Wtr. Depth: 2147, Angle: 3/4. Depth: 2554, Angle: 1 1/2. Depth: 2965, Angle: 3 3/4. 23 hrs-drlg. 1 hr-Survey & rig service.

Corrected Cost.

DC: \$33,856 CC: \$139,415 TD: 3,087 PBTD:

8/4/2004 Day: 5 /

**Present Operation:** Drilling

Mud: Wt: 8.9, Vis: 38, WI: 12. Type: LSND. 1.5 hr-circ for trip. 5 hrs-round trip for bit. 2.5 hrs-ream @ 2652'. 14.5 hrs-drlg. 1/2 hr-rig service.

DC: \$27,290 CC: \$166,705 TD: 3,480 PBTD:

8/5/2004 Day: 6 /

**Present Operation:** Survey

Mud: Wt: 9.1, Vis: 37, WI: 10.4. Type: LSND. LCM %: 6. Depth: 3456. Angle: 2 1/2. 23 hrs-drlg. 1 hr-survey & rig service. Tight connections, will lower wtr loss.

DC: \$20,351 CC: \$187,056 TD: 4,078 PBTD:

8/6/2004 Day: 7 /

**Present Operation:** Drilling

Mud: Wt: 9.2, Vis: 36, WI: 10. Type: LSND. Depth: 4000. Angle: 2. 23 hrs-drlg. 1 hr-survey & rig service.

DC: \$23,968 CC: \$211,024 TD: 4,529 PBTD:

8/7/2004 Day: 8 /

**Present Operation:** Drilling

Mud: Wt: 9.4, Vis: 37, WI: 9.2, LCM%: 10. Type: LSND. Depth: 4474. Angle: 1.5. 13 1/2 hrs-drlg. 1 hr-circ for trip. 8 1/2 hrs-trip for bit. 1/2 hr-ream to btm. 1/2 hr-rig service.

DC: \$18,351 CC: \$229,375 TD: 4,853 PBTD:

8/8/2004 Day: 9 /

**Present Operation:** Drilling

Mud: Wt: 9.4, Vis: 36, WI: 9.6, LCM%: 12. Type: LSND. 21 hrs-drlg. 3 hrs-repair swivel packing.

DC: \$19,397 CC: \$248,772 TD: 5,349 PBTD:

8/9/2004 Day: 10 /

**Present Operation:** Trip for Logs

Mud: Wt: 9.4, Vis: 45, WI: 8.8, LCM%: 8. Type: LSND. Depth: 5026. Angle: 1.25. 9 1/2 hrs-drlg. 1/2 hr-circ for bit trip. 7 1/2 hrs-trip for bit. 2 hrs-W & R to btm. 1 hr-circ for logs. 3 1/2 hrs-TOOH for logs.

DC: \$23,427 CC: \$272,199 TD: 5,525 PBTD:

8/10/2004 Day: 11 /

**Present Operation:** LDDP

Mud: Wt: 9.5, Vis: 45, WI: 8.3, LCM%: 8. Type: LSND. Depth: 5450. Angle: 2.25. 1 1/2 hrs-TOOH for logs; SLM 5525, no correction. 12 hrs-log. 2 1/2 hrs-rig repair. 4 hrs-TIH, wash to btm. 1 1/2 hrs-circ for csg. 2 hrs-LDDP.

DC: \$34,113 CC: \$306,312 TD: 5,525 PBTD:

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NOV 15 2004



**RMA****WALKER HOLLOW UNIT 85**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill &amp; Complete A Green River Infill Development Well

**CONFIDENTIAL**

CapBudget#: 322

AFE#: 040247

AFE Cost: \$804,000

COG WI: 100 %

STATUS: A

8/11/2004 Day: 12 /

**Present Operation: RDMO**

3 hrs-LDDP. 7 hrs-run 5 1/2" csg, land @ 5525'. 2 1/2 hrs-circ & condition. 2 hrs-cmt csg: lead w/ 250 sx Premium lite II, tail w/ 370 sx 50:50 Poz G. Displace w/ wtr. Bump plug, floats held. Full returns. 1 hr-set slips. 2 hrs-clean tanks. Rig released from WHU 85 12:01AM, Aug 11, 2004.

DROP UNTIL COMPLETION

DC: \$89,928

CC: \$396,240

TD: 5,525

PBTB:

9/1/2004 Day: 13 /

**Present Operation: Drill Out Float Collar**

Completion Day: 1

MIRU. PU &amp; TIH w/ bit &amp; 6 3-1/2" DC's &amp; tbg to 3000'. SDFN.

DDC: \$-0- CDC: \$401,206

Cum Completion Cost: \$4,641

(Daily cost is \$4,641 plus \$3,400 in carry over drilling cost.)

DC: \$8,041

CC: \$404,281

TD:

PBTB:

9/2/2004 Day: 14 /

**Present Operation: Perforate**

Completion Day: 2

Finish TIH. Tag up @ 5446'. Drill out float collar & drill to top of float shoe @ 5528'. TOO. PU bit & scraper & TIH to PBTB @ 5528'. Circ hole clean w/ 120 bbls 2% KCL. Swab well +/-800' from surface. TOO. MIRU WL & run CBL-GR-CCL, correlated to GR on Baker's Compensated Z-densilog/Compensated Neutron log dated 8-9-04. Log well from PBTB to TOC which looks bonded all the way up to 900'. SDFN.

DDC: \$-0- CDC: \$401,206

Cum Completion Cost: \$14,035

DC: \$9,394

CC: \$413,675

TD:

PBTB:

9/3/2004 Day: 15 /

**Present Operation: Acidize DL1A**

Completion Day: 3

LD DC. RIH w/ WL. Perf DL1A using 4" csg gun @ 4 jspf & 90 phasing f/ 5510'-5520'. TOO. Lost perf gun when WL hit pack off. Made fish trip & caught fish. RDMO WL. TIH w/ pkr. PT tbg to 2000 psi. Set pkr @ 5452'. PT csg to 2000 psi. Swab. IFL @ surface. Made 5 runs. No recovery or entry on 5th run. Recovered 33 bbls fluid. 100% wtr, trace oil & BS. SDFN.

DDC: \$-0- CDC: \$401,206

Cum Completion Cost: \$24,168

DC: \$10,133

CC: \$423,808

TD:

PBTB:

9/4/2004 Day: 16 /

**Present Operation: Shut Down for Weekend**

Completion Day: 4

20 psi on tbg. Make 2 swab runs. IFL @ 4000'. Recovered 8 bbls, 99% oil, 1% wtr. 2nd, did not feel FL. No fluid recovered. MIRU BJ. Pumped 23.8 bbls 7-1/2% HCL w/ additives followed by 33 bbls of 2% KCL flush. Well broke @ 1700 psi to 1470 @ 1.65 bpm. Ave psi 1450. Ave rate 1.5 bpm. Rate dropped to under 1 bpm. Surged balls off. Finished job @ 1492 psi @ 1.3 bpm. Swab. IFL- Surface. Made 12 runs. Recovered 52 bbls. Final cut 4% oil. SDFN.

DDC: \$-0- CDC: \$401,206

Cum Completion Cost: \$64,874

COST CORRECTION.

DC: \$40,706

CC: \$464,514

TD:

PBTB:

9/5/2004 Day: 17 / 19

**Present Operation: Swab**

9/7/2004

Completion Day: 5-6-7

Shut dn for weekend.

DDC: \$-0- CDC: \$401,206

Cum Completion Cost: \$64,874

COST CORRECTION.

DC: \$1,815

CC: \$466,329

TD:

PBTB:

**RMA****WALKER HOLLOW UNIT 85**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill &amp; Complete A Green River Infill Development Well

**CONFIDENTIAL**CapBudget#: 322  
AFE#: 040247  
AFE Cost: \$804,000  
COG WI: 100 %  
STATUS: A

9/8/2004 Day: 20 /

**Present Operation: Swab Du8D**

Completion Day: 8

TP= 280 psi. Bled well dn in 5 min. IFL= 1000' FS. Swab 13 total bbls fluid in 4 swab runs. Pulled dry on 5th run. Final cut= 2% oil & 98% wtr. Rls pkr. RIH & rev circ balls from well. Recovered 64-65 total balls. POOH w/ pkr. RIH & set WL-set RBP @ 5495'. PT RBP & csg to 2000 psi. Perf Greenriver Du8D from 5477'-5488'. 4 jsp, 90 degree phasing. All shots fired. Break dn perms w/ rig pump & 2% KCL wtr @ 3000 psi. Broke back to 1800 psi. Pump into perms @ 5 bpm & 1800 psi. RIH w/ pkr. Set pkr @ 5382'. Test backside to 2000 psi. OK. SDFN.

DDC: \$-0- CDC: \$401,206  
Cum Completion Cost: \$79,230

DC: \$12,541 CC: \$478,870 TD: PBTB:

9/9/2004 Day: 21 /

**Present Operation: Frac Du8D Perfs**

Completion Day: 9

TP- Vac. IFL- 1000' FS. Swab 22 total bbls fluid in 10 swab runs over 4-3/4 hrs. Last 3 swabs on hourly runs. FFL- 5000'. Final cut 2% oil. SDFN.

DDC: \$-0- CDC: \$401,206  
Cum Completion Cost: \$82,039

DC: \$2,809 CC: \$481,679 TD: PBTB:

9/10/2004 Day: 22 /

**Present Operation: Perforate & Frac Du8b & Du8c**

Completion Day: 10

TP- 90 psi. IFL- 2100' FS. Swab well dry in 4 swab runs. Recovered 18 total bbls fluid. Final cut= 5% oil. RU BJ. Pump 63 bbls 2% KCL wtr for pre-frac analysis. Pump 163 bbls slick wtr pad. Frac well dn 2-7/8" tbg w/ 34,966 lbs 20-40 sd ramped from 1 lb-5 lbs gal 12,810 gal 17 lbs/gal gel @ ave treating rate of 11.8 bpm & ave treating pressure of 2993 psi. Max psi= 3134 psi. Max rate= 11.9 bpm. ISIP=2030 psi; 5 min= 1764 psi; 10 min= 1592 psi; 15 min= 1376 psi. Tagged all sd w/ iridium 192 tracer. TLTR= 563 bbls. Wait 1 hr. Flow back 66 bbls to pit until dead. Rls pkr. Rev circ 12' sd off top of RBP. Reset RBP @ what was thought to be 5465'. PT csg & RBP to 2100 psi. POOH w/ pkr. RU WL. RIH but could not get past 5441'. RBP was set approx 1 jt too high. RD WL. RIH w/ retrieving head. Rls RBP & reset at correct depth of 5465'. PT csg & RBP to 2000 psi. POOH w/ retrieving head. SDFN.

DDC: \$-0- CDC: \$401,206  
Cum Completion Cost: \$130,510

DC: \$48,470 CC: \$530,149 TD: PBTB:

9/11/2004 Day: 23 /

**Present Operation: Clean Out to TD**

Completion Day: 11

Perf Greenriver Du8b f/ 5394'-5398' & 5400'-5402'; Du8c f/ 5408'-5430', 5434'-5443' & 5446'-5452', 4 jsp & 90 degree phasing. RIH w/ pkr & set @ 5253'. Test backside to 2000 psi. RU BJ. Pump 35 bbls 2% KCL wtr for pre-frac analysis. Formation broke dn from 1920 psi to 1015 psi. Pump @ 6.8 bpm & 1650 psi. Adjust sd stage volumes & treating rate accordingly. Pump 224 bbls slick wtr pad. Frac dn 2-7/8" tbg w/ 49,205 lb 20-40 sd ramped up from 1lb-4lb/gal stages in 18,270 gal 20lb/gal gel. Avg treating rate of 14.5 bpm & avg treating press of 3182 psi. Max pres= 3308 psi. Max rate= 14.7 bpm. ISIP= 1450 psi, 5 min= 1221 psi, 10 min= 1047 psi & 15 min= 852 psi. Tagged all sd stages w/ iridium 192 tracer. TLTR (today)= 727 bbls. Wait 1 hr then open up well, on vac. RIH & rev circ 15' sd off top of RBP. Rls RBP. POOH w/ tools. Start RIH w/ notched collar. SDFN.

DDC: \$-0- CDC: \$401,206  
Cum Completion Cost: \$184,102

DC: \$53,592 CC: \$583,741 TD: PBTB:

9/12/2004 Day: 24 /

**Present Operation: Shut Down for Sunday**

Completion Day: 12

0 Tbg & 0 Csg psi. Finish TIH & tag sand fill @ 5510' & circ clean to PBTB @ 5528'. Pull EOT to 5220'. Run gamma from PBTB to 5200'. TOOH w/ WL. TIH to 5381'. Swab. IFL- 800'. FFL- 1400'. Rec 127 bbls. Final cut 2% oil. SDFN.

DDC: \$-0- CDC: \$401,206  
Cum Completion Cost: \$201,481

DC: \$17,379 CC: \$601,120 TD: PBTB:

**RMA****WALKER HOLLOW UNIT 85**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill &amp; Complete A Green River Infill Development Well

**CONFIDENTIAL**

CapBudget#: 322

AFE#: 040247

AFE Cost: \$804,000

COG WI: 100 %

STATUS: A

9/13/2004 Day: 25 /

**Present Operation: Swab**

Completion Day: 13

Shut dn for Sunday.

DDC: \$-0- CDC: \$401,206

Cum Completion Cost: \$202,086

DC: \$605

CC: \$601,725

TD:

PBTD:

9/14/2004 Day: 26 /

**Present Operation: PU Rods**

Completion Day: 14

TP- 110 psi. CP- 110 psi. Swab. IFL-900'. FFL- 1300'. Rec 116 bbls, OC steady @ 85%. Trace sand. TIH & tag sand @ 5513'. Circ clean to PBTD @ 5528'. TOOH. TIH w/ prod assembly. SN landed @ 5389'. SDFN.

DDC: \$-0- CDC: \$401,206

Cum Completion Cost: \$208,116

DC: \$6,030

CC: \$607,755

TD:

PBTD:

9/15/2004 Day: 27 /

**Present Operation: Seat Pump**

Completion Day: 15

ND BOP. Set TAC. NU WH. PU new 1-3/4" pump & rods. Load tbg w/ Xysol. Well unbalanced. SDFN.

DDC: \$-0- CDC: \$401,206

Cum Completion Cost: \$257,504

DC: \$49,388

CC: \$657,143

TD:

PBTD:

9/16/2004 Day: 28 /

**Present Operation: PU Base**

Completion Day: 16

Slight vac. Seat pump. Load w/ 3 bbls wtr & test to 100 psi. RDMO. Start moving in equip to set unit & make tie in for flowline.

DDC: \$-0- CDC: \$401,206

Cum Completion Cost: \$262,331

DC: \$4,828

CC: \$661,971

TD:

PBTD:

9/17/2004 Day: 29 /

**Present Operation: Finish Pumping Unit**

Completion Day: 17

Set base. Work on flowline.

DDC: \$-0- CDC: \$401,206

Cum Completion Cost: \$273,331

DC: \$11,000

CC: \$672,971

TD:

PBTD:

9/18/2004 Day: 30 / 32

**Present Operation: Set PU Motor**

9/20/2004

Completion Day: 18-19-20

Work on flowline. Start swapping out motors for unit. Shut dn for weekend.

DDC: \$-0- CDC: \$401,206

Cum Completion Cost: \$288,181

DC: \$14,850

CC: \$687,821

TD:

PBTD:

9/21/2004 Day: 33 /

**Present Operation: Finish Small Pumping Unit Fixes**

Completion Day: 21

Put pumping unit together. Finish flowline tie ins. Hook up gas & trace. Need some small welding on belt guard. Need to install run drum for oil & weld exhaust. SDFN.

DDC: \$-0- CDC: \$401,206

Cum Completion Cost: \$299,181

DC: \$11,000

CC: \$698,821

TD:

PBTD:

**RMA**

**WALKER HOLLOW UNIT 85**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

**CONFIDENTIAL**

CapBudget#: 322  
AFE#: 040247  
AFE Cost: \$804,000  
COG WI: 100 %  
STATUS: A

9/22/2004	Day: 34 /	<b>Present Operation:</b> Turn to Production Completion Day: 22  Finish all fabrication on unit, found that some of the new 1 1/4" trace line leaking @ seams. Well is ready to go, had upset @ Satt Batt & will start in AM so that Satt Batt has room overnight. SDFN.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$5,500 CC: \$704,321 TD: PBTB:
9/23/2004	Day: 35 /	<b>Present Operation:</b> Producing Completion Day: 23  Turn to production 10 AM on 9-22-04.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTB:
9/24/2004	Day: 36 /	<b>Present Operation:</b> Producing to Tester Completion Day: 24  Turn to tester .  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTB:
9/25/2004	Day: 37 /	<b>Present Operation:</b> Producing Completion Day: 25  24 hrs: Prod: 108 BO, 36 MCF, 463 BW. 3495' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTB:
9/26/2004	Day: 38 /	<b>Present Operation:</b> Producing Completion Day: 26  24 hrs: Prod: 81 BO, 38 MCF, 424 BW. 3528' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTB:
9/27/2004	Day: 39 /	<b>Present Operation:</b> Producing Completion Day: 27  24 hrs: Prod: 100 BO, 41 MCF, 524 BW. 3593' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTB:
9/28/2004	Day: 40 /	<b>Present Operation:</b> Producing Completion Day: 28  24 hrs: Prod: 102 BO, 35 MCF, 512 BW. 3691' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTB:
9/29/2004	Day: 41 /	<b>Present Operation:</b> Producing Completion Day: 29  24 hrs: Prod: 113 BO, 29 MCF, 501 BW. 4148' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTB:

**RMA****WALKER HOLLOW UNIT 85**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill &amp; Complete A Green River Infill Development Well

**CONFIDENTIAL**CapBudget#: 322  
AFE#: 040247  
AFE Cost: \$804,000  
COG WI: 100 %  
STATUS: A

9/30/2004	Day: 42 /	<b>Present Operation:</b> Producing Completion Day: 30  24 hrs: Prod: 101 BO, 17 MCF, 550 BW. 3593' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTD:
10/1/2004	Day: 43 /	<b>Present Operation:</b> Producing Completion Day: 31  24 hrs: Prod: 88 BO, 24 MCF, 518 BW. 3397' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTD:
10/2/2004	Day: 44 /	<b>Present Operation:</b> Producing Completion Day: 32  24 hrs: Prod: 97 BO, 32 MCF, 511 BW. 3495' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTD:
10/3/2004	Day: 45 /	<b>Present Operation:</b> Producing Completion Day: 33  24 hrs: Prod: 75 BO, 9 MCF, 506 BW. 3560' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTD:
10/4/2004	Day: 46 /	<b>Present Operation:</b> Producing Completion Day: 34  24 hrs: Prod: 95 BO, 15 MCF, 478 BW. 3593' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTD:
10/5/2004	Day: 47 /	<b>Present Operation:</b> Producing Completion Day: 35  18 hrs: Prod: 68 BO, 15 MCF, 351 BW. Pump stuck.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTD:
10/6/2004	Day: 48 /	<b>Present Operation:</b> Producing Completion Day: 36  Turn out of tester to test #84.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$304,681 DC: \$0 CC: \$704,321 TD: PBTD:
10/7/2004	Day: 49 /	<b>Present Operation:</b> Swab Tubing Completion Day: 37  MIRU. Pump stuck. Back off rods & TOO. Get all of rods on 1st backoff. Unscrewed on top of pull rod. PU tbg & tag fill @ 5514'. DL1A perms 5510'-5520'. PBTD @ 5528'. TOO w/ 25 jts tbg & hit fluid. SDFN.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$308,913 DC: \$4,232 CC: \$708,553 TD: PBTD:

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10/8/2004	Day: 50 /	<b>Present Operation:</b> TIH w/ Tubing Completion Day: 38  TOOH w/ wet string. Not able to swab. LD stuck pump. TIH w/ pkr & RBP. Set plug @ 5470'. PU 10' & test to 2000 psi. TOOH w/ pkr. SDFN.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$316,366 DC: \$7,453 CC: \$716,006 TD: PBTD:
10/9/2004	Day: 51 /	<b>Present Operation:</b> Producing Completion Day: 39  TIH w/ prod assembly. TIH w/ pump w/ grooved plunger. Had to flush rods 2 times due to wax in hole. Test pump to 1000 psi. RDMO.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$322,433 DC: \$6,067 CC: \$722,073 TD: PBTD:
10/10/2004	Day: 52 /	<b>Present Operation:</b> Producing Completion Day: 40  24 hrs: No test. 1144' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$322,433 DC: \$0 CC: \$722,073 TD: PBTD:
10/11/2004	Day: 53 /	<b>Present Operation:</b> Producing Completion Day: 41  16 hrs: No test. 2059' FAP. Dn 8hrs-engine.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$322,433 DC: \$0 CC: \$722,073 TD: PBTD:
10/12/2004	Day: 54 /	<b>Present Operation:</b> Producing Completion Day: 42  24 hrs: 44 BO, 15 MCF, 284 BW.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$322,433 DC: \$0 CC: \$722,073 TD: PBTD:
10/13/2004	Day: 55 /	<b>Present Operation:</b> Producing Completion Day: 43  24 hrs: 36 BO, 23 MCF, 180 BW.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$322,433 DC: \$0 CC: \$722,073 TD: PBTD:
10/14/2004	Day: 56 /	<b>Present Operation:</b> Producing Completion Day: 43  24 hrs: 22 BO, 18 MCF, 110 BW.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$322,433 DC: \$0 CC: \$722,073 TD: PBTD:

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10/15/2004	Day: 57 /	<b>Present Operation:</b> Producing Completion Day: 44  24 hrs: 57 BO, 20 MCF, 124 BW. Finish insulating flowline.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$343,002 DC: \$20,570 CC: \$742,643 TD: PBTD:
10/16/2004	Day: 58 /	<b>Present Operation:</b> Producing D8c & D8b Completion Day: 45  24 hrs: 38 BO, 29 MCF, 91 BW.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$343,002 DC: \$0 CC: \$742,643 TD: PBTD:
10/17/2004	Day: 59 /	<b>Present Operation:</b> Producing D8c & D8b Completion Day: 46  24 hrs: 40 BO, 23 MCF, 87 BW. Put WHU #86 in test.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$343,002  DROP FROM REPORT UNTIL FURTHER ACTIVITY. DC: \$0 CC: \$742,643 TD: PBTD:
10/19/2004	Day: 60 /	<b>Present Operation:</b> Move RBP above DL1A Completion Day: 47  MIRU. Unseat pump, flush tbg w/ hot wtr. TOO H w/ rods. NDWH, release TAC. NU BOP. SDFN.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$345,718 DC: \$2,716 CC: \$745,359 TD: PBTD:
10/20/2004	Day: 61 /	<b>Present Operation:</b> TIH w/ Prod Tbg Completion Day: 48  TOOH w/ tbg. TIH w/ retrieving head to RBP. Tag sand @ 5445'. Circ sand off plug @ 5470'. Release & move RBP to 5500'. TOO H w/ retrieving head & tbg. PU prod assembly & TIH w/ 18 jts. SDFN.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$350,236 DC: \$4,518 CC: \$749,877 TD: PBTD:
10/21/2004	Day: 62 /	<b>Present Operation:</b> Producing Completion Day: 49  Finish TIH w/ tbg. TIH w/ pump. Load & test pump. RDMO. RTP. 4316' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$4,403 CC: \$754,280 TD: PBTD:
10/22/2004	Day: 63 /	<b>Present Operation:</b> Producing Completion Day: 50  18 hrs: Prod: 2683' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:

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10/23/2004	Day: 64 /	<b>Present Operation:</b> Producing Completion Day: 51  23 hrs: Prod: 19 BO, 12 MCF, 476 BW. Too muddy to shoot FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:
10/24/2004	Day: 65 /	<b>Present Operation:</b> Producing Completion Day: 52  24 hrs: Prod: 64 BO, 29 MCF, 469 BW. Too muddy to shoot FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:
10/25/2004	Day: 66 /	<b>Present Operation:</b> Producing Completion Day: 53  24 hrs: Prod: 75 BO, 29 MCF, 273 BW. 0' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:
10/26/2004	Day: 67 /	<b>Present Operation:</b> Producing Completion Day: 54  24 hrs: Prod: 63 BO, 29 MCF, 256 BW. 0' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:
10/27/2004	Day: 68 /	<b>Present Operation:</b> Producing Completion Day: 55  24 hrs: Prod: 54 BO, 23 MCF, 210 BW. 0' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:
10/28/2004	Day: 69 /	<b>Present Operation:</b> Producing Completion Day: 56  24 hrs: Prod: 70 BO, 32 MCF, 211 BW. 0' FAP.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:
10/29/2004	Day: 70 /	<b>Present Operation:</b> Producing Completion Day: 57  24 hrs: Prod: No FAP taken.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:
10/30/2004	Day: 71 /	<b>Present Operation:</b> Producing Completion Day: 58  12 hrs: Prod: No test. Dn 12 hrs due to weather.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:



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10/31/2004	Day: 72 /	<b>Present Operation:</b> Producing Completion Day: 59  24 hrs: Prod: No test.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:
11/1/2004	Day: 73 /	<b>Present Operation:</b> Producing Completion Day: 60  8 hrs: Prod: No test. Dn 16 hrs due to lubricator.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:
11/2/2004	Day: 74 /	<b>Present Operation:</b> Producing Completion Day: 61  24 hrs: Prod: No test.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:
11/3/2004	Day: 75 /	<b>Present Operation:</b> Producing Completion Day: 62  24 hrs: Prod: No test.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$354,639 DC: \$0 CC: \$754,280 TD: PBTD:
11/4/2004	Day: 76 /	<b>Present Operation:</b> TOO H w/ Rods Completion Day: 63  MIRU. Unseat pump. Flush tbg. Rig broke dn. SDFN.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$356,729 DC: \$2,090 CC: \$756,370 TD: PBTD:
11/5/2004	Day: 77 /	<b>Present Operation:</b> TOO H w/ Rods & Tubing Completion Day: 64  TOOH w/ 50 3/4" rods & started to pull over. Try to flush rods but well pressured up. TIH w/ 15 rods & tried to flush but could not. Rods stuck in wax. Put 45 bbls hot wtr dn csg. Rods still stuck. SDFN.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$358,501 DC: \$1,772 CC: \$758,142 TD: PBTD:
11/6/2004	Day: 78 /	<b>Present Operation:</b> Retrieve RBP Completion Day: 65  Circ hot wtr until rods free up. TOO H w/ rods. TOO H w/ prod assembly. TIH w/ retrieving head. SDFN.  DDC: \$-0- CDC: \$401,206 Cum Completion Cost: \$364,704 DC: \$6,203 CC: \$764,345 TD: PBTD:

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11/7/2004 Day: 79 /

**Present Operation:** Shut Down for Sunday

Completion Day: 66

Tag sand @ 5488', 12' of fill. Circ sand off to 5500' & rls RBP. TOO. TIH w/ bailer.  
Bail well from 5508' to 5528' (PBTD). TOO. TIH w/ pkr to 5400'. SDFN.

DDC: \$-0- CDC: \$401,206  
Cum Completion Cost: \$370,676

DC: \$5,972 CC: \$770,317 TD: PBTD:

11/8/2004 Day: 80 /

**Present Operation:** Flush Tubing

Completion Day: 67

Shut dn for Sunday.

DDC: \$-0- CDC: \$401,206  
Cum Completion Cost: \$370,676

DC: \$0 CC: \$770,317 TD: PBTD:

11/9/2004 Day: 81 /

**Present Operation:** Swab DL1A

Completion Day: 68

Finish TIH to 5498'. Flush tbg w/ 65 bbls hot wtr. Set pkr & start swabbing well. IFL-  
300'. Recovered 150 bbls load plus 47 bbls. FFL- 700'. Trace oil last three runs. Sand  
content ranged from 1% to 10%, averaged 3% last three hours. Inflow of +/-17 bph  
after load recovered. Dumped 5 bbls Xysol dn tbg. SDFN.

DDC: \$-0- CDC: \$401,206  
Cum Completion Cost: \$377,899

DC: \$7,223 CC: \$777,540 TD: PBTD:

11/10/2004 Day: 82 /

**Present Operation:** Shut Down for Mud

Completion Day: 69

Shut dn due to weather.

DDC: \$-0- CDC: \$401,206  
Cum Completion Cost: \$377,899

DC: \$0 CC: \$777,540 TD: PBTD: